

Semiannual Report

Twenty-seventh Fiscal Period

From December 1, 2016 to May 31, 2017



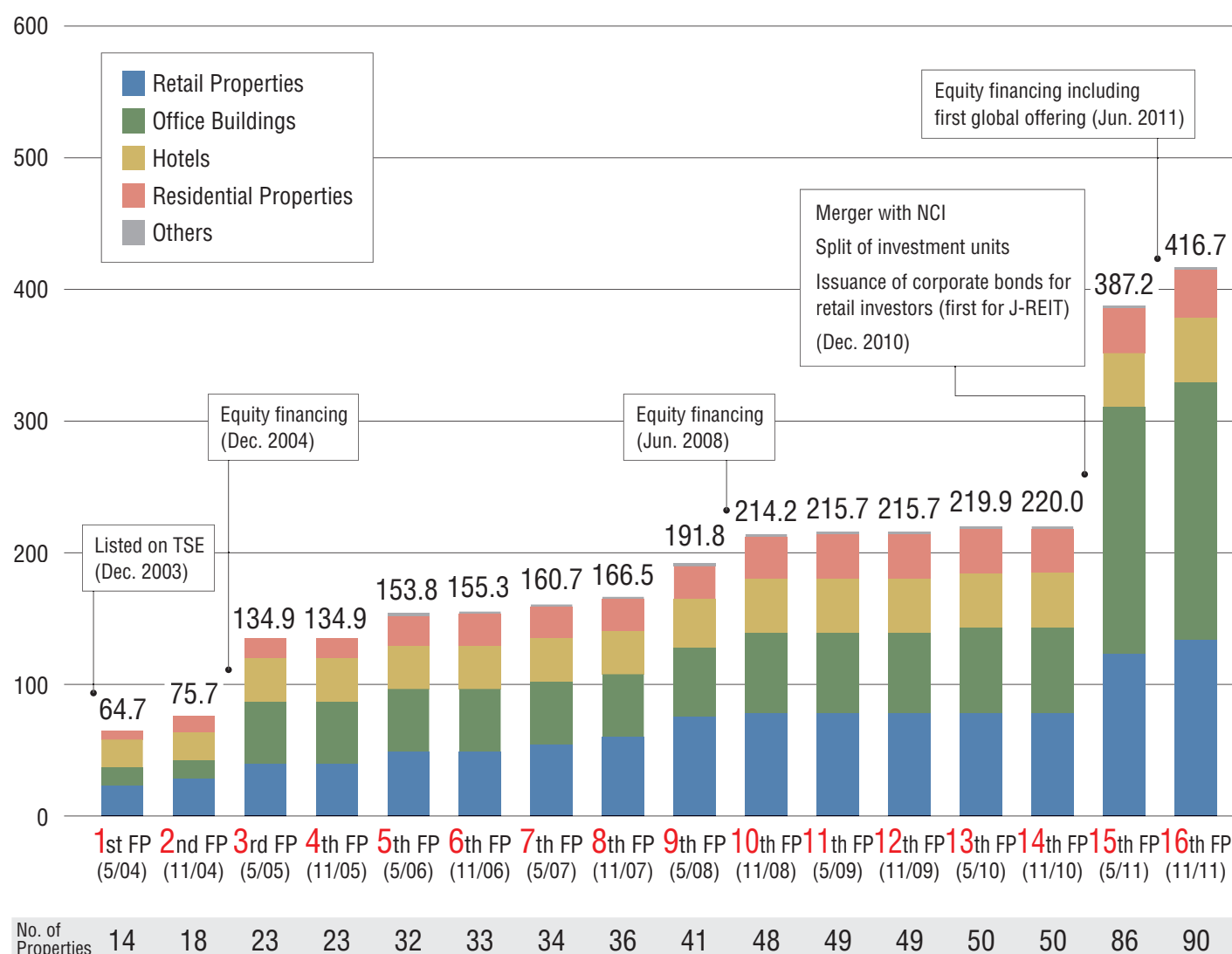
Profile

United Urban Investment Corporation (“United Urban”) was incorporated on November 4, 2003, under the Act on Investment Trusts and Investment Corporations of Japan. On December 22, 2003, United Urban was listed on the real estate investment trust section (“J-REIT section”) of the Tokyo Stock Exchange (Securities Code: 8960), and United Urban has been growing steadily since its listing. In addition, through the merger with Nippon Commercial Investment Corporation (“NCI”) in December 2010, United Urban considerably expanded the size of its assets.

In order to obtain stable earnings over the medium to long term, United Urban intends to form an optimal portfolio that is diversified both in terms of the types of use and areas of location, which is thought to cope with economic and real estate market fluctuations and lead to the mitigation of risks involved.

Growth of Assets ^(Note 1)

Billions of yen



Notes: 1. The total acquisition prices of properties owned by United Urban at the end of each fiscal period are shown above, and figures are rounded to the units stated.

2. Unless otherwise indicated, in principle, all figures in this report are rounded down to the nearest unit.

The main sponsor of United Urban is Marubeni Corporation (“Marubeni”), a parent company of Japan REIT Advisors Co., Ltd. (“JRA”), the asset management company to which United Urban entrusts asset management services. United Urban aims to realize its further growth as a diversified J-REIT^(Note) by taking full advantage of the network and support provided by Marubeni and its affiliate companies.

(Note) In this document, J-REIT refers to a real-estate investment trust listed on a Japanese stock exchange.



United Urban
Investment Corporation

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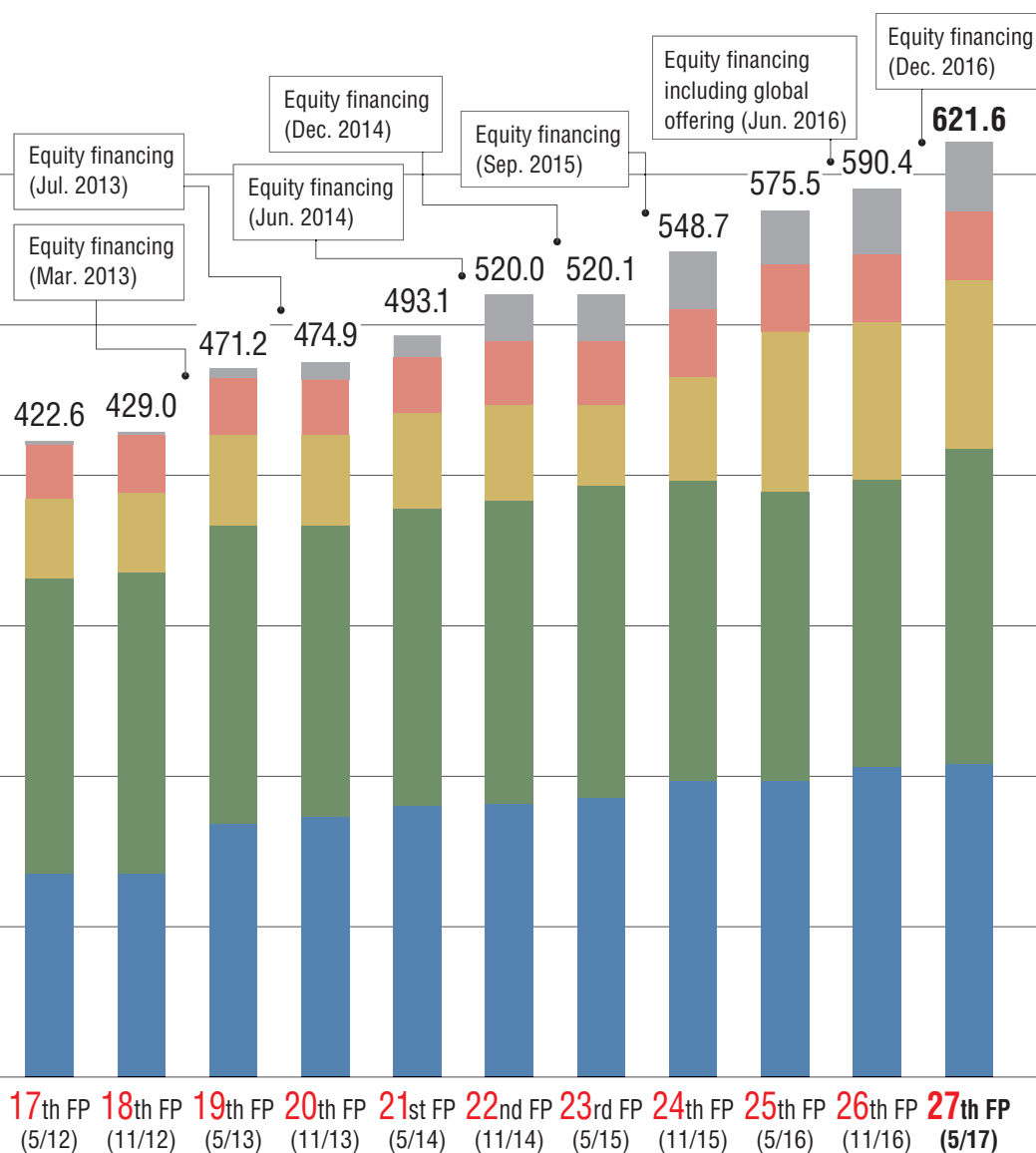
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Key Figures (As of May 31, 2017)

Cash Distribution per Unit for the 27th Fiscal Period

¥3,250

Occupancy Ratio

99.2%

Total Acquisition Price

¥622 billion

Number of Properties

123

Loan-to-Value Ratio (LTV) (Note)

36.7%

Note: LTV=Interest-bearing liabilities (including corporate bonds) / (Total assets + Appraisal values at the end of the period - Book value at the end of the period)

Ratings (as of July 14, 2017)



Long-term issuer rating

AA

Rating Outlook: Stable



Long-term issuer rating

A3

Rating Outlook: Stable

Financial Highlights

Millions of yen, except per unit information

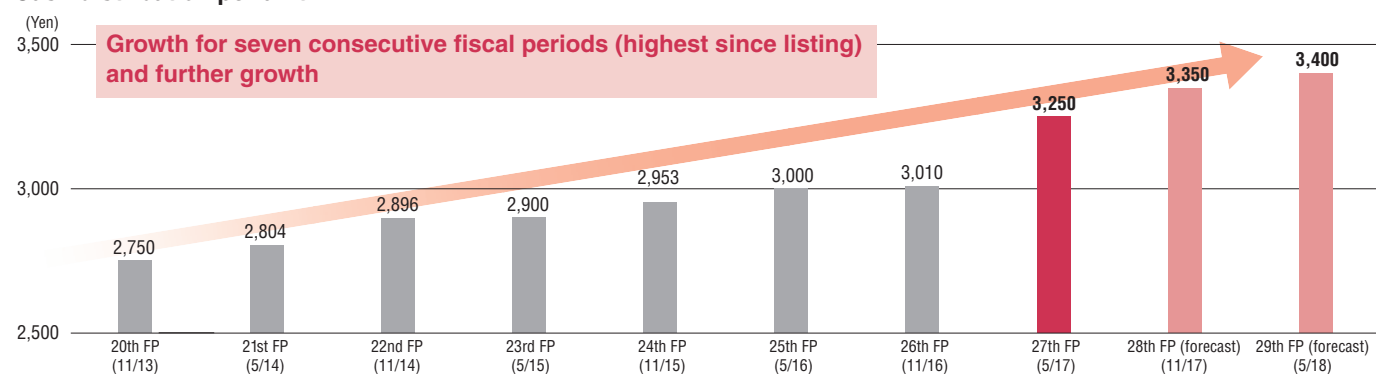
	23rd Fiscal Period	24th Fiscal Period	25th Fiscal Period	26th Fiscal Period	27th Fiscal Period
	December 1, 2014- May 31, 2015	June 1, 2015- November 30, 2015	December 1, 2015- May 31, 2016	June 1, 2016- November 30, 2016	December 1, 2016- May 31, 2017
Operating revenues	¥ 19,466	¥ 20,070	¥ 21,444	¥ 22,864	¥ 22,982
Operating income	9,113	9,427	10,591	11,057	11,497
Ordinary income	7,790	8,163	9,224	9,349	10,286
Net income	7,790 (Note 1)	7,916 (Note 2)	9,089 (Note 1)	9,348 (Note 1)	10,285 (Note 3)
Total Cash distribution	7,668 (Note 1)	8,124 (Note 2)	8,254 (Note 1)	8,888 (Note 1)	9,929 (Note 3)
Cash distribution per unit (Yen)	2,900 (Note 1)	2,953 (Note 2)	3,000 (Note 1)	3,010 (Note 1)	3,250 (Note 3)
Total assets	573,318	598,077	629,262	648,105	675,885
Total unitholders' equity	282,906	297,340	298,009	333,592	351,801
Unitholders' equity per unit (Yen)	106,987	108,069	108,313	112,966	115,152

Notes: 1. For the 23rd fiscal period, United Urban carried forward ¥121 million of the total unappropriated retained earnings to the next fiscal period, and the cash distribution per unit became ¥2,900. For the 25th fiscal period, United Urban reserved ¥834 million from the total unappropriated retained earnings as reserve retained for distribution, and the cash distribution per unit became ¥3,000. For the 26th fiscal period, United Urban reserved ¥459 million from the total unappropriated retained earnings as reserve retained for distribution, and the cash distribution per unit became ¥3,010.

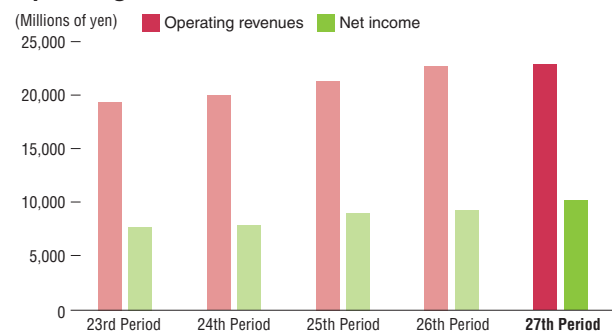
2. The reversal of reserve for distribution (¥208 million) was added to the net income as the source of distribution, and the cash distribution per unit became ¥2,953.

3. United Urban reserved ¥431 million from the total unappropriated retained earnings as reserve retained for distribution and added a reversal of reserve for temporary difference adjustments (¥75 million) to cash distribution. Accordingly, the cash distribution per unit became ¥3,250.

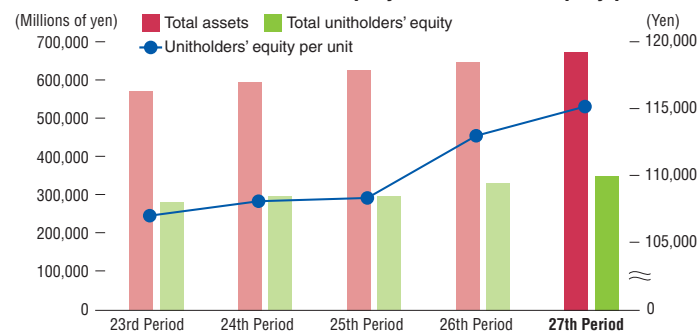
Cash distribution per unit



Operating revenues / Net income



Total assets / Total unitholders' equity / Unitholders' equity per unit



To Our Unitholders

It is a pleasure to present this report on the business activities of United Urban during the 27th fiscal period: the six-month period ended May 31, 2017.

United Urban was listed on the J-REIT section of the Tokyo Stock Exchange in December 2003 as a diversified J-REIT, investing in properties varied both in types of use and geographical location. Since its listing, United Urban has been making efforts to maintain or improve its revenues and reduce various risks for the purpose of obtaining stable earnings over the medium to long term. As of May 31, 2017 (the end of the 27th fiscal period), its asset size was ¥621.5 billion, and United Urban is one of the largest among all J-REITs in terms of asset size.

In the 27th fiscal period, approximately ¥16.7 billion of equity was raised by the 10th public offering (December 2016) and the third-party allotment (January 2017), which has strengthened United Urban's financial standing. As for external growth, United Urban acquired five new properties (total acquisition price: ¥35.0 billion) including "SS30", a celebrated large-scale complex facility in the Sendai area comprising an office building, a fitness club building and a hotel building and "LOOP-X·M", a property located in bay area of Minato-ku, Tokyo, comprising an office building and a residential building. We also acquired the land adjacent to our existing property "the b roppongi" attempting extension of the building in the future. On the other hand, United Urban sold one office building which was experiencing deterioration in profitability due to the staggering occupancy ratio, and could achieve improvement of the asset quality and profitability in conjunction with asset increase.

The performance of our existing properties has been good due to the robust business performance of Japanese corporations and the increase in foreign tourists. The properties acquired during the previous fiscal period (26th fiscal period ended November 30, 2016) and the increased rent revenues from the properties adopting the variable rent system have also contributed to this fiscal period's profit increase.

In the 27th fiscal period, United Urban was able to achieve operating revenues of ¥22,982 million, operating income of ¥11,497 million and net income of ¥10,285 million. Succeeding the previous fiscal period, a part of net income (¥431 million) was reserved as reserve retained for distribution in order to strengthen the capability to cope with the risk (the corporate tax was not imposed for this reserve). In addition, United Urban reversed approximately ¥75 million of the negative goodwill ("reserve for temporary difference adjustments") and added it to the cash distribution complying with the tax reform enforced from this fiscal period. Consequently, the cash distribution per unit for the 27th fiscal period became ¥3,250 (increased by approximately 8% or ¥240 per unit from the previous period), the highest since its listing, and we could increase cash distribution per unit for seven consecutive fiscal periods since the 21st fiscal period.

United Urban, together with its asset manager, Japan REIT Advisors Co., Ltd., will do its best to secure stability in its earnings over the medium to long term pursuant to its investment policy. Your continuous support and kind attention are highly appreciated.



Hitoshi Murakami
Executive Officer
United Urban Investment Corporation

Ikuko Yoshida
President and CEO
Japan REIT Advisors Co., Ltd.

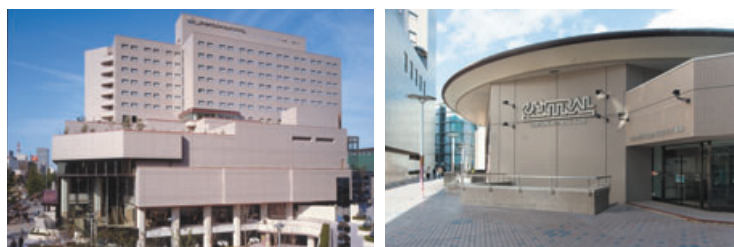
Topics of 27th Fiscal Period

New Acquisitions

In the 27th fiscal period, as the competition for property acquisition intensifies, United Urban acquired five properties: two large-scale complex facilities which are used for several types of use (office, hotel, residence, etc.), a retail facility, a residence and a logistics facility, by utilizing the advantages of a diversified J-REIT. Consequently, United Urban achieved steady external growth.

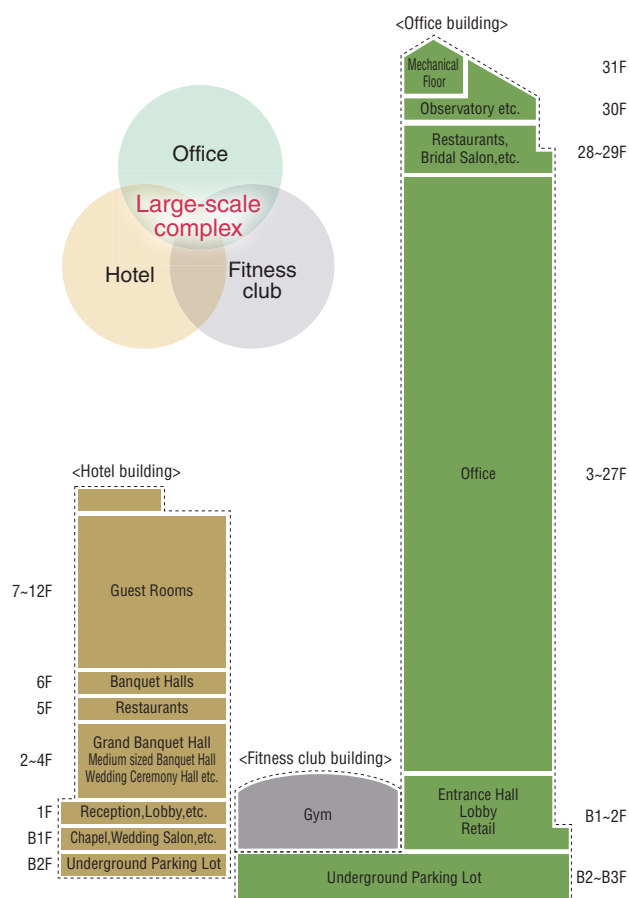
B44 SS30

Office Buildings / Hotels



Main Features

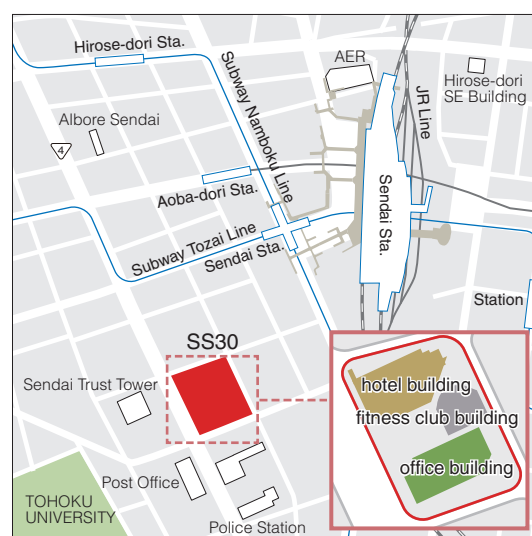
- A complex facility with high convenient facility that attracts many customers
- A landmark building of Sendai area, located near Sendai Station which is the keystone of traffic in Tohoku region
- Robust tenants' needs that leads to the stable rent revenues



■ Acquisition Date	March 30, 2017
■ Acquisition Price	¥18,200 million
■ Location	Sendai, Miyagi
■ Site Area	15,542.84 m ²
■ Total Floor Space (Note)	110,955.68 m ² (1) 80,973.21 m ² (2) 2,459.72 m ² (3) 26,460.08 m ²
■ Construction (Note)	(1) SRC/S (2) RC (3) SRC
■ Number of Floors (Note)	(1) B3/31F (2) B1/2F (3) B2/12F
■ Completed	March 1989

■ Type of Ownership (Note)	Land: Proprietary Ownership Building: (1)(3) Compartmentalized Ownership (ownership percentage 100%) (2) Proprietary Ownership
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Note: The property comprises three buildings: an office building, a fitness club building, and some of the information are shown for an office building as (1), a fitness club building as (2), and a hotel building as (3).



Topics of 27th Fiscal Period

B45 LOOP-X · M

Office Buildings

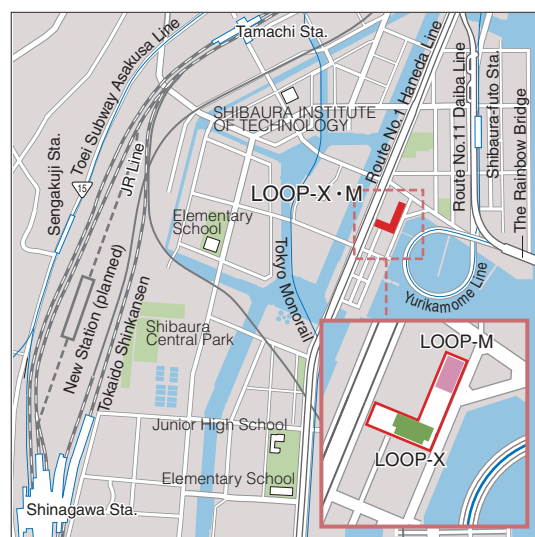


Main Features

- A complex facility located in Minato-ku, Tokyo
- Square office floor over 1,000 m² without pillars
- Various room types fulfilling wide-ranged residents' needs
- Fine view facing the Rainbow Bridge

■ Acquisition Date	April 26, 2017
■ Acquisition Price	¥11,200 million
■ Location	Minato-ku, Tokyo
■ Site Area	5,491.44 m ²
■ Total Floor Space ^(Note)	31,583.38 m ² (1) 22,253.78 m ² (2) 9,329.60 m ²
■ Construction ^(Note)	(1) S/SRC (2) SRC/RC
■ Number of Floors ^(Note)	(1) B1/17F (2) B1/18F
■ Completed	November 1991
■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership

Note: The property comprises two buildings: LOOP-X (office building) and LOOP-M (residential building), and some of the information are shown for LOOP-X as (1) and LOOP-M as (2).



A41 K's Denki Nagoya-kita

Retail Properties

■ Acquisition Date	December 1, 2016	■ Construction	S
■ Acquisition Price	¥1,750 million	■ Number of Floors	2F
■ Location	Nishikasugai-gun, Aichi	■ Completed	June 2000
■ Site Area	7,461.97 m ²	■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership
■ Total Floor Space	4,733.74 m ²		

**D28 Scent Hills**

Residential Properties

■ Acquisition Date	December 1, 2016	■ Construction	RC
■ Acquisition Price	¥1,300 million	■ Number of Floors	13F
■ Location	Osaka, Osaka	■ Completed	July 2010
■ Site Area	817.52 m ²	■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership
■ Total Floor Space	3,607.14 m ²		

**E11 Shin-Narashino Logistics Center II**


Others

■ Acquisition Date	January 31, 2017	■ Construction	S
■ Acquisition Price	¥2,590 million	■ Number of Floors	4F
■ Location	Narashino, Chiba	■ Completed	January 1990
■ Site Area	7,870.01 m ²	■ Type of Ownership	Land: Proprietary Ownership Building: Proprietary Ownership
■ Total Floor Space	12,578.45 m ²		

**Sale of Property**

United Urban sold one office property, which was experiencing deterioration in profitability due to the staggering occupancy ratio, with the sale price significantly exceeding the appraisal value. Accordingly, United Urban could achieve improvement of the asset quality and profitability.

(Millions of yen)

Property Name (Type of Use)	Location	Date of Sale	Acquisition Price	Appraisal Value (Note 1)	Book Value (Note 2)	Sale Price	Gain on Sale of Property
 Pacific Marks Shin-Urayasu (Office)	Urayasu, Chiba	May 24, 2017	3,920	3,390	3,863	4,100	63
			24th FP ('15/11)	25th FP ('16/5)	26th FP ('16/11)	27th FP ('17/5)	
			Adjusted NOI Yield	5.23%	3.56%	3.98% (Note 3)	2.00% (Note 3)
			Average Occupancy Ratio	92.5%	81.6%	78.8%	73.6% (Note 3)

Notes: 1. Appraisal Value as of May 1, 2017 is stated.

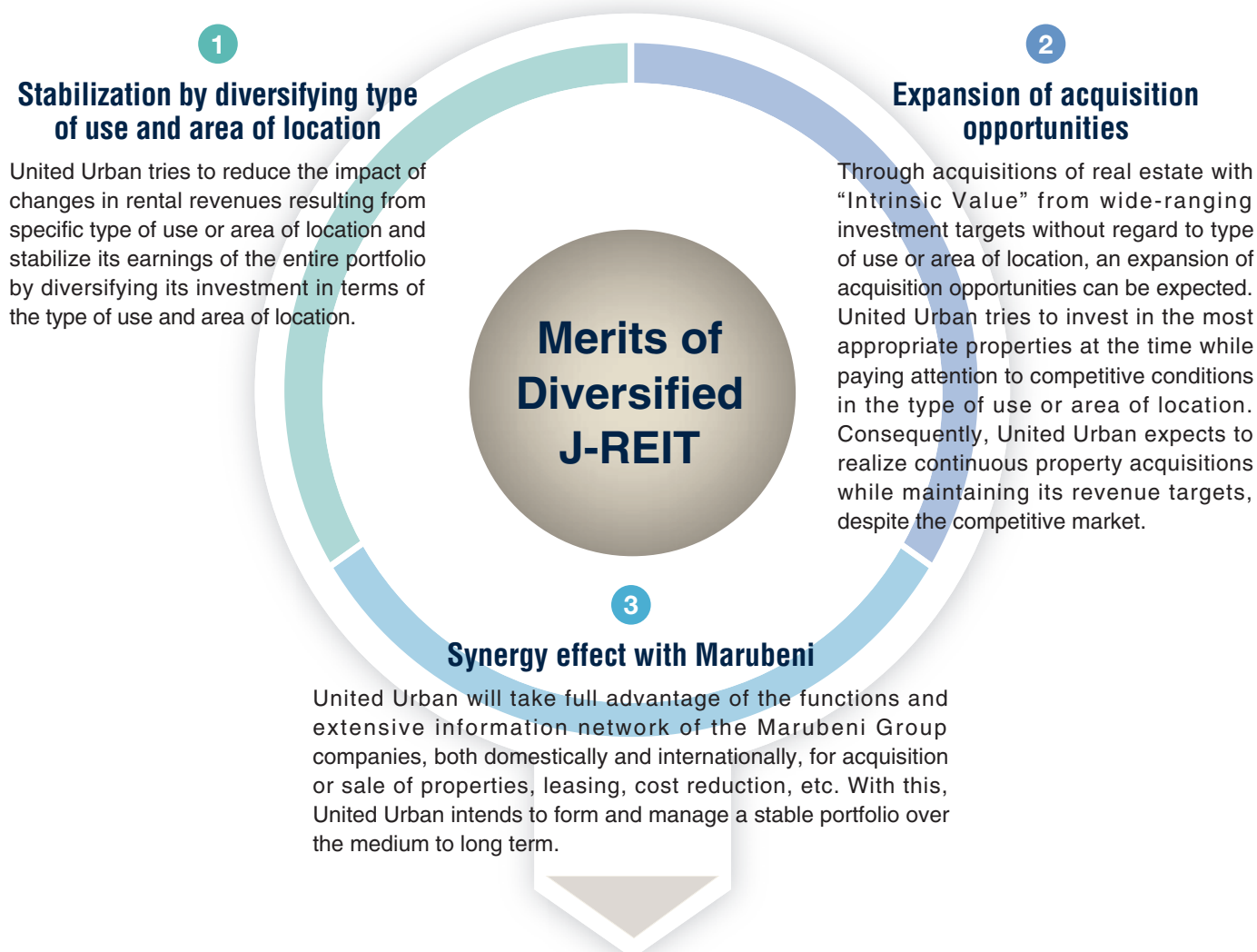
2. Book Value as of the date of the sale is stated.

3. Adjusted NOI yield of the 26th FP and the 27th FP are calculated reflecting the revision of temporary profit and loss. Both Adjusted NOI yield and Average Occupancy Ratio of the 27th FP are based on the actual figure until the date of the sale.

Merits of Diversified J-REIT and Management Strategy of United Urban

Merits of Diversified J-REIT

It is expected that United Urban could reduce several risks and secure stable earnings over the medium to long term by diversifying its investments in terms of the type of use and area of location as a diversified J-REIT. The main sponsor of United Urban is Marubeni, a general trading company which has connections with a wide range of industries and companies. United Urban aims for continuous and stable portfolio management by taking advantage of the functions of the Marubeni Group centering on real estate-related business.



United Urban Investment Corporation

External Growth

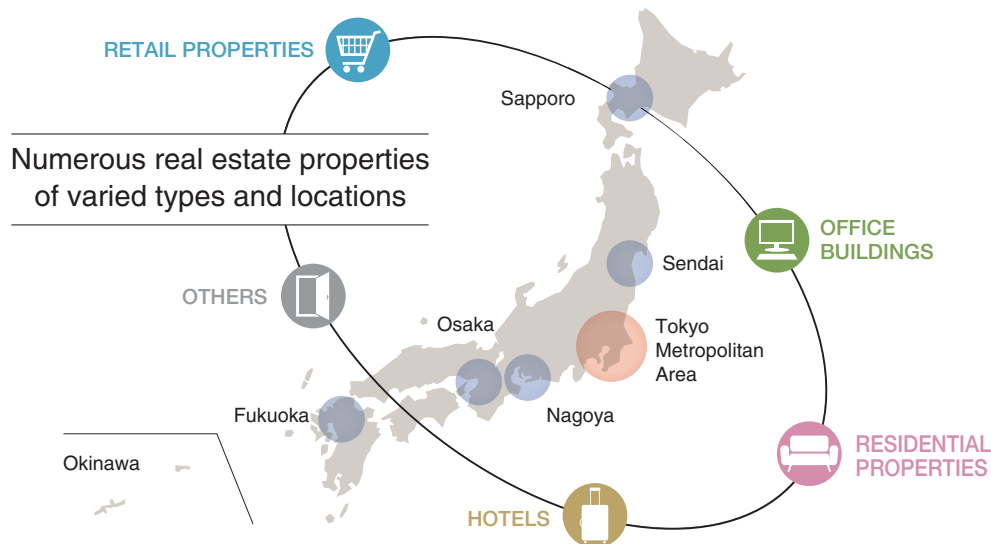
Internal Growth

Financial Strategy

Management Strategy

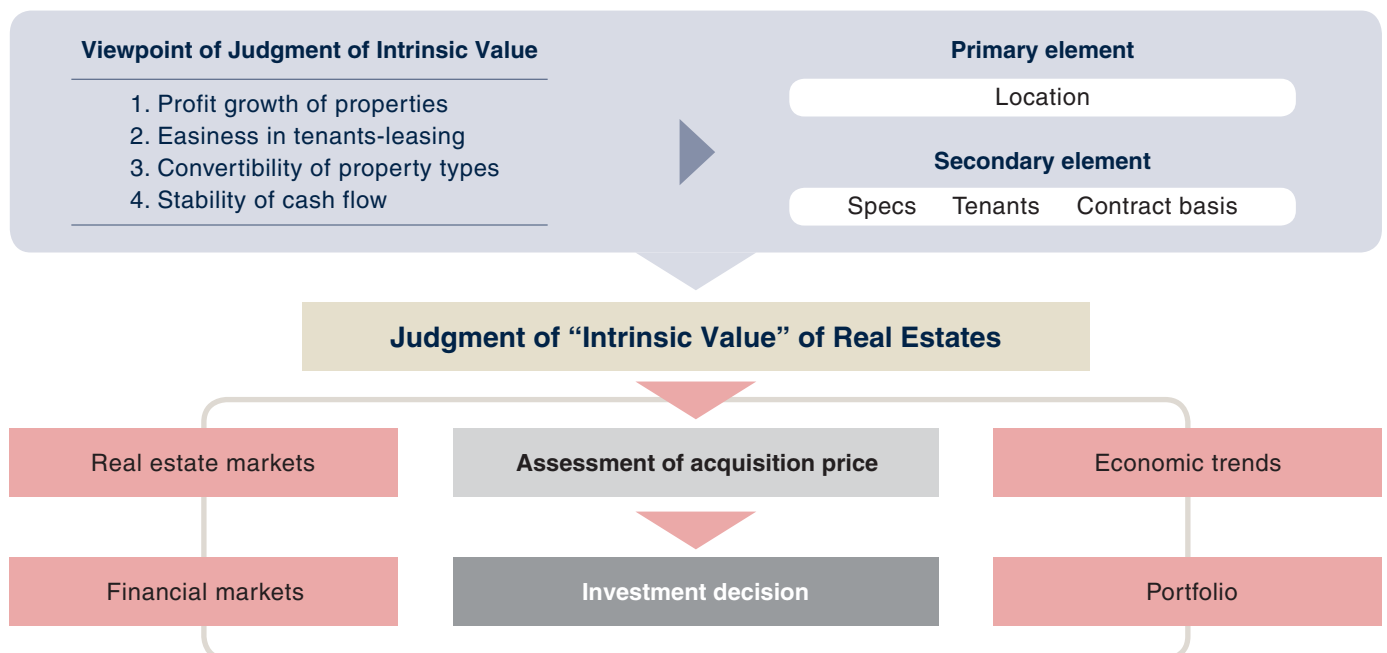
Building an Investment Portfolio by Taking Advantage of the Strength of Diversified J-REIT

Revenues obtained from real estate investment and management concentrated on specific property types or regions may be significantly affected if the real estate markets of specific property types or regions stagnate. United Urban aims to secure stable earnings over the medium to long term and reduce risks inherent to real estate market conditions for specific types of use or specific regions by diversifying investment both in property types and regions.



Selected Investment Policy Focused on Real Estate with “Intrinsic Value”

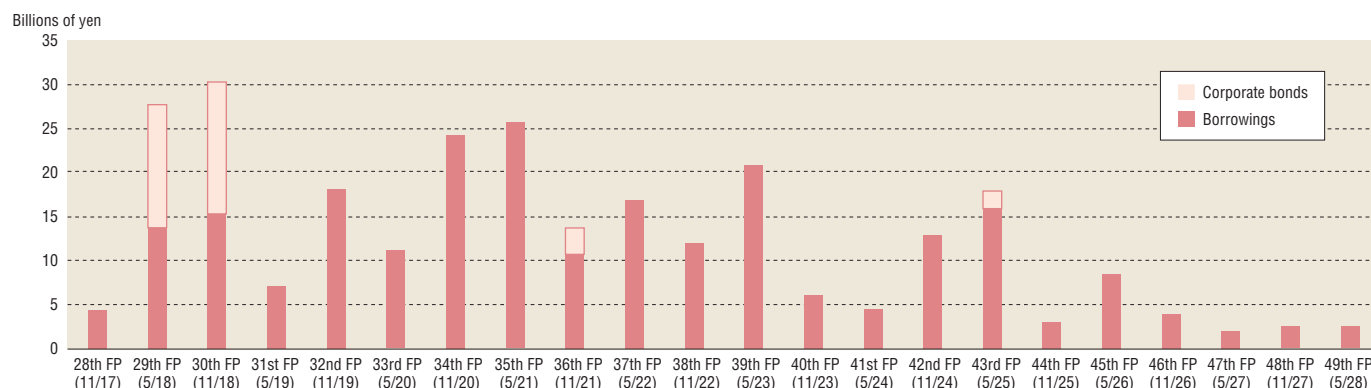
United Urban defines the real estate that can secure stable profitability over the medium to long term as the real estate with “Intrinsic Value” and aims to implement carefully selected investment in real estate with “Intrinsic Value.” On that basis, through analysis of various factors such as the external environment including current economic trends and real estate market trends, United Urban makes its final investment decision.



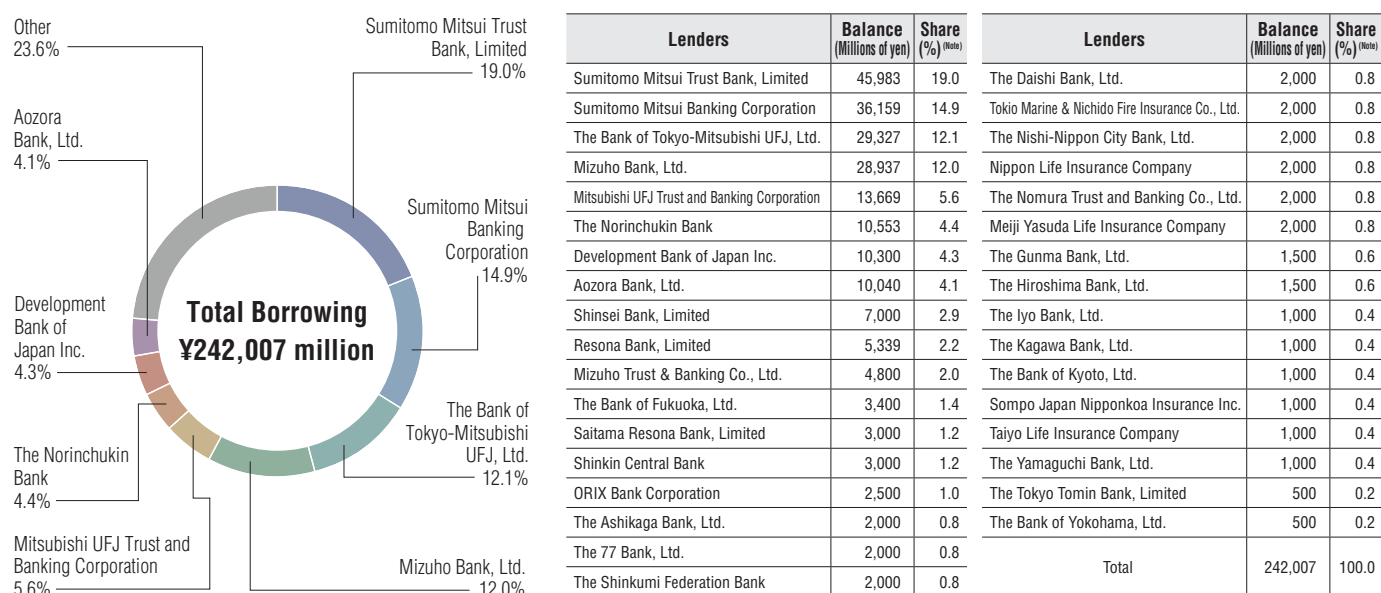
Financial Status

To secure enough debt funding capacity, United Urban tries to control the LTV and principally seeks to raise long-term fixed-interest-rate funding. United Urban also aims to select the optimal financing methods and conditions. Consequently, in the last few years, United Urban has built its financial standing to be able to cope with sudden changes in the financial markets by lowering LTV, raising the fixed-interest borrowing ratio and increasing the maximum loan amount of commitment line agreements, and has achieved low-interest and long-term debt financing compared to the existing interest-bearing liabilities.

Diversification of Maturity Date (As of July 14, 2017) ^(Note)



Lenders and Borrowing Amount (As of July 14, 2017)



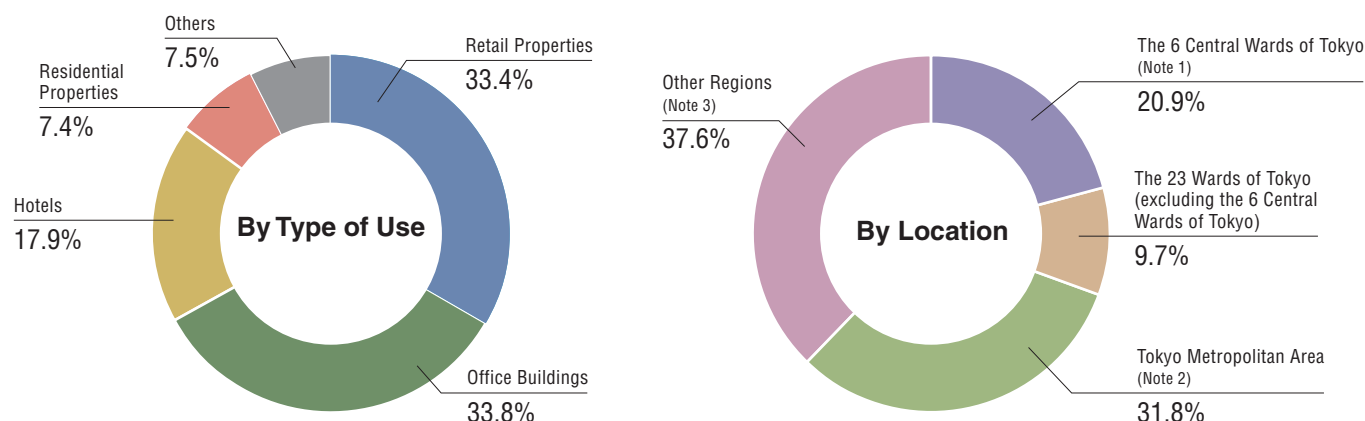
Committed Line of Credit Agreement (As of July 14, 2017)

Participating Financial Institutions	Maximum Loan Amount	Term of Agreement	Limitation of Use	Remarks
Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥24.0 billion	From Jun. 26, 2017 to Jun. 26, 2018	None	Unsecured Unguaranteed
Sumitomo Mitsui Banking Corporation Mitsubishi UFJ Trust and Banking Corporation Mizuho Trust & Banking Co., Ltd. Resona Bank, Limited	¥12.0 billion	From Dec. 27, 2016 to Dec. 25, 2017	None	Unsecured Unguaranteed
Total	¥36.0 billion			

Portfolio Properties

Portfolio Data

Portfolio Breakdown (Based on acquisition prices) (As of May 31, 2017)



Notes: 1. The "6 Central Wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.
 2. "Tokyo Metropolitan Area" refers to the Tokyo Metropolitan Area (Tokyo Metropolis, Kanagawa Prefecture, Chiba Prefecture, Saitama Prefecture, Ibaraki Prefecture, Gunma Prefecture, Tochigi Prefecture and Yamanashi Prefecture) excluding the 23 Wards of Tokyo.
 3. "Other Regions" refers to other major cities in Japan including government designated cities (excluding cities located in Tokyo Metropolitan Area) and surrounding areas thereof. In addition, "Other Regions" includes "Osaka Area: Osaka Prefecture, Kyoto Prefecture and Hyogo Prefecture", "Nagoya Area: Aichi Prefecture, Mie Prefecture and Gifu Prefecture", and "Other Area: general term for areas excluding Tokyo Metropolitan Area, Osaka Area or Nagoya Area".

Occupancy Ratio

	2016			2017		
	End of December	End of January	End of February	End of March	End of April	End of May
Retail Properties	99.5%	99.4%	99.6%	99.6%	99.6%	99.6%
Office Buildings	97.2%	97.4%	97.8%	97.6%	98.0%	98.2%
Hotels	99.8%	99.8%	99.8%	99.9%	99.9%	99.8%
Residential Properties	98.4%	98.2%	98.4%	98.9%	98.5%	98.5%
Others	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	99.0%	99.0%	99.2%	99.1%	99.2%	99.2%

Approaches to Environmental Issues

► Environmental Policies

United Urban, being aware of its corporate social responsibility, has established "Environmental Policies" such as energy saving/measures for global warming and compliance with environment-related laws and regulations in order to contribute to the sustainable prosperity of our society through efforts focused on the environment and reduction of environmental burdens. United Urban will continue to promote environmental improvement and energy conservation, and enhance energy efficiency, with respect to properties owned by United Urban.

► DBJ Green Building Certification

"DBJ Green Building Certification" is a comprehensive evaluation system for real estate properties with high environmental and social awareness by the Development Bank of Japan Inc. (DBJ). DBJ conducts assessments based on an original scoring model and certifies real estate properties with one of five ranks according to the assessment score.

"ARENA TOWER", "Tsubogawa Square Building" and "Logistics Higashi-Ohgishima" owned by United Urban has acquired a "three stars" ranking (properties with excellent environmental & social awareness).



► Participation in the GRESB Survey



The "Global Real Estate Sustainability Benchmark (GRESB)" is a benchmark developed by a group of leading European pension funds. It evaluates the sustainability performance of real estate companies and funds, and is becoming a de facto standard among major European, American and Asian institutional investors and is utilized in their investment decision-making processes.

United Urban has been participating in the GRESB survey since 2012, and received the "Green Star" in the 2016 survey, following 2015. This evaluation has been given to companies which receive a superior sustainability evaluation in terms of both "Management and Policy" and "Implementation and Measurement."

Portfolio Properties

Portfolio Roster (As of May 31, 2017)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
Retail Properties						
A1	Himonya Shopping Center	Meguro-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1975	Dec. 25, 2003	
A2	Joy Park Izumigaoka	Sakai, Osaka	Trust beneficial interest in real estate	Nov. 2000	Dec. 22, 2003	
A3	Ashiya Kawanishi Shopping Mart	Ashiya, Hyogo	Trust beneficial interest in real estate	Apr. 1997	Dec. 22, 2003	
A4	Re-LAND Shopping Center	Funabashi, Chiba	Trust beneficial interest in real estate	Mar. 1998	Sep. 17, 2004	
A5	AEON MALL Uki	Uki, Kumamoto	Trust beneficial interest in real estate	Oct. 1997	Dec. 3, 2004	
A6	TENJIN LUCE	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Nov. 2005	Apr. 14, 2006	
A7	Yamada Denki Tecc Land Sakai Honten	Sakai, Osaka	Real estate	May 2002	Apr. 28, 2006	
A8	Miyamae Shopping Center	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Oct. 1993	Feb. 19, 2007	
A9	KONAMI SPORTS CLUB Korigaoka	Hirakata, Osaka	Trust beneficial interest in real estate	Dec. 2006	Jun. 29, 2007	
A10	ACTIOLE Minami-ikebukuro	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Nov. 2006	Sep. 27, 2007	
A11	Tip's Machida Building	Machida, Tokyo	Trust beneficial interest in real estate	Jun. 1992	Dec. 27, 2007	
A12	Daiei Takarazuka Nakayama	Takarazuka, Hyogo	Trust beneficial interest in real estate	Nov. 1997	Jan. 30, 2008	
A13	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (retail portion) (Note 5)	Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	
A14	ACTIOLE Kannai	Yokohama, Kanagawa	Real estate	Sep. 2007	Jun. 30, 2008	
A15	Shinsaibashi OPA Honkan	Osaka, Osaka	Trust beneficial interest in real estate	Nov. 1994	Dec. 1, 2010	
A19	Albore Jingumae	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2006	Dec. 1, 2010	
A20	Albore Sendai	Sendai, Miyagi	Trust beneficial interest in real estate	Mar. 1997	Dec. 1, 2010	
A21	Mallage Kashiwa	Kashiwa, Chiba	Trust beneficial interest in real estate	Jun. 2004	Dec. 1, 2010	
A23	Ito-Yokado Owariasahi	Owariasahi, Aichi	Real estate	Oct. 1998	Dec. 1, 2010	
A24	Yokohama Kariba Shopping Center	Yokohama, Kanagawa	Trust beneficial interest in real estate	Sep. 2007	Dec. 1, 2010	
A25	Luz Jiyugaoka	Meguro-ku, Tokyo	Trust beneficial interest in real estate	May 2009	Jun. 15, 2011	
A26	ACTIOLE Ichikawa	Ichikawa, Chiba	Trust beneficial interest in real estate	Apr. 2010	Jun. 15, 2011	
A27	VIVAHOME Yokohama Aoba (Site)	Yokohama, Kanagawa	Real estate	—	Oct. 31, 2011	
A28	Yamada Denki Tecc Land Aoba (Site)	Yokohama, Kanagawa	Real estate	—	May 18, 2012	
A29	Yodobashi Camera Multimedia Kichijoji	Musashino, Tokyo	Trust beneficial interest in real estate	May 1974	Mar. 18, 2013	
A30	Yamada Denki Tecc Land New Matsudo Honten	Matsudo, Chiba	Trust beneficial interest in real estate	Aug. 2009	Mar. 18, 2013	
A31	Tenjin Loft Building	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Mar. 1989	Nov. 29, 2013	
A32	Narumi Shopping Center (Site)	Nagoya, Aichi	Real estate	—	Apr. 8, 2014	
A33	Plussing Wave Enoshima	Fujisawa, Kanagawa	Trust beneficial interest in real estate	Dec. 2007	Aug. 29, 2014	
A34	LIFE Nishikujo (Site)	Osaka, Osaka	Trust beneficial interest in real estate	—	Mar. 2, 2015	
A35	LIFE Tamatsukuri (Site)	Osaka, Osaka	Trust beneficial interest in real estate	—	Mar. 2, 2015	
A36	Granbell Ginza Building	Chuo-ku, Tokyo	Trust beneficial interest in real estate	Oct. 2006	Jun. 30, 2015	
A37	UUR Tenjin Nishi-dori Building	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Mar. 2010	Jul. 15, 2015	
A38	Luz Shonan Tsujido	Fujisawa, Kanagawa	Trust beneficial interest in real estate	Aug. 2010	Sep. 30, 2015	
A39	ACTIOLE Ueno (Note 13)	Taito-ku, Tokyo	Trust beneficial interest in real estate	Sep. 1984	Dec. 4, 2015	
A40	KURURU	Fuchu, Tokyo	Trust beneficial interest in real estate	Feb. 2005	Sep. 1, 2016	
A41	K's Denki Nagoya-kita	Nishikasugai-gun, Aichi	Trust beneficial interest in real estate	Jun. 2000	Dec. 1, 2016	
Office Buildings						
B1	T&G Hamamatsucho Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Dec. 1988	Dec. 26, 2003	
B2	SK Nagoya Building	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 1986	Dec. 26, 2003	
B3	Fukuoka Eartheon Building	Fukuoka, Fukuoka	Trust beneficial interest in real estate	Sep. 1998	Dec. 26, 2003	
B4	Marumasu Kojimachi Building	Chiyoda-ku, Tokyo	Trust beneficial interest in real estate	Sep. 1989	Mar. 29, 2004	
B5	Rokubancho K Building	Chiyoda-ku, Tokyo	Trust beneficial interest in real estate	Dec. 1988	Mar. 30, 2004	
B6	Shin-Osaka Central Tower (office portion) (Note 6)	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 2, 2004	
B7	Kawasaki Toshiba Building	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Apr. 1987	Dec. 20, 2004	
(A13)	maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (office portion) (Note 5)	Yokohama, Kanagawa	Trust beneficial interest in real estate	—	Feb. 18, 2008	
B8	UUR Toyochu Building	Koto-ku, Tokyo	Real estate	Nov. 1990	Jun. 30, 2008	
B9	FOUR SEASONS BLDG	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1994	Dec. 25, 2009	
B10	Hitachi High-Tech Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1986	Dec. 1, 2010	
B11	Pacific Marks Shinjuku Parkside	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1989	Dec. 1, 2010	
B13	Pacific Marks Tsukishima	Chuo-ku, Tokyo	Real estate	Mar. 1990	Dec. 1, 2010	
B14	Pacific Marks Yokohama East	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1992	Dec. 1, 2010	
B17	Akasaka Hikawa Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 1984	Dec. 1, 2010	
B18	Pacific Marks Shibuya Koen-dori	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Aug. 1996	Dec. 1, 2010	
B20	Pacific Marks Akasaka-mitsuke	Minato-ku, Tokyo	Real estate	Mar. 1994	Dec. 1, 2010	
B22	Pacific Marks Shin-Yokohama	Yokohama, Kanagawa	Trust beneficial interest in real estate	Oct. 1991	Dec. 1, 2010	
B25	Pacific Marks Kawasaki	Kawasaki, Kanagawa	Real estate	Aug. 2004	Dec. 1, 2010	
B26	Hamamatsucho 262 Building (Note 7)	Minato-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1993	Dec. 1, 2010	
B27	Lila Hijirizaka	Minato-ku, Tokyo	Real estate	Nov. 1991	Dec. 1, 2010	
B29	Otsuka HT Building	Toshima-ku, Tokyo	Real estate	Mar. 1990	Dec. 1, 2010	
B30	Pacific Marks Shinjuku South-gate	Shinjuku-ku, Tokyo	Real estate	Aug. 1985	Dec. 1, 2010	
B31	Pacific Marks Nishi-Umeda	Osaka, Osaka	Trust beneficial interest in real estate	Mar. 1997	Dec. 1, 2010	
B32	Pacific Marks Higobashi	Osaka, Osaka	Trust beneficial interest in real estate	Oct. 1983	Dec. 1, 2010	
B33	Nagoya Nishiki City Building	Nagoya, Aichi	Trust beneficial interest in real estate	Nov. 1991	Dec. 1, 2010	
B34	Pacific Marks Esaka	Suita, Osaka	Trust beneficial interest in real estate	Mar. 1975	Dec. 1, 2010	
B35	Pacific Marks Sapporo Kita-Ichijo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 1993	Dec. 1, 2010	
B36	Shin-Sapporo Center Building	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 1991	Dec. 1, 2010	
B37	ARENA TOWER	Yokohama, Kanagawa	Trust beneficial interest in real estate	May 2008	Jun. 16, 2011	
B38	Yushima First Building	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 1989	Aug. 29, 2012	
B39	Dogenzaka Square	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 2004	Nov. 22, 2012	
B40	GRAND-SQUARE Shin-Sakae	Nagoya, Aichi	Trust beneficial interest in real estate	May 2009	Feb. 28, 2014	
B41	GRAND-SQUARE Meieki-minami	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2009	Feb. 28, 2014	
B42	Shiba 520 Building	Minato-ku, Tokyo	Trust beneficial interest in real estate	Jul. 1994	Mar. 28, 2014	
B43	Hirose-dori SE Building	Sendai, Miyagi	Trust beneficial interest in real estate	Nov. 2007	Jun. 13, 2014	
B44	SS30 (Note 8, 9)	Sendai, Miyagi	Trust beneficial interest in real estate	Mar. 1989	Mar. 30, 2017	
B45	LOOP-X-M (Note 9)	Minato-ku, Tokyo	Trust beneficial interest in real estate	Nov. 1991	Apr. 26, 2017	

	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m ²) (Note 1)	Total Floor Space (m ²) (Note 1)	Construction (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	15,300	2.5%	5,249.86	27,032.50	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	6,770	1.1%	10,368.45	29,250.71	RC/S	5F	Proprietary Ownership	Proprietary Ownership
	769	0.1%	3,455.30	1,488.28	S	1F	Proprietary Ownership	Proprietary Ownership
	5,200	0.8%	5,198.20	12,944.65	SRC	B2/5F	Proprietary Ownership	Proprietary Ownership
	11,100	1.8%	173,498.31	63,058.78	S	2F	Proprietary Ownership and Term Leasehold Rights	Proprietary Ownership
	6,500	1.0%	1,138.66	5,393.09	RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	3,210	0.5%	10,702.86	8,637.63	S	3F	Proprietary Ownership	Proprietary Ownership
	5,312	0.9%	6,937.54	17,338.54	RC	4F	Proprietary Ownership	Proprietary Ownership
	2,040	0.3%	4,120.00	6,381.40	S	4F	Proprietary Ownership	Proprietary Ownership
	3,760	0.6%	320.39	2,265.15	RC	B1/8F	Proprietary Ownership	Proprietary Ownership
	4,100	0.7%	1,596.82	8,075.04	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	4,284	0.7%	16,330.14	16,729.60	S	B1/3F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	6,883	1.1%	53,363.57	—	—	—	Proprietary Ownership (Co-ownership)	—
	2,410	0.4%	375.17	2,238.82	S/RC	B1/9F	Proprietary Ownership	Proprietary Ownership
	22,800	3.7%	2,430.23	25,865.61	S/RC	B3/12F	Proprietary Ownership	Proprietary Ownership
	1,580	0.3%	308.02	816.60	S/RC	B1/4F	Proprietary Ownership	Proprietary Ownership
	2,590	0.4%	736.01	4,082.94	S/SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	7,040	1.1%	79,484.47	54,689.28	S	2F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,840	0.8%	34,612.39	56,371.77	S	6F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	2,500	0.4%	7,093.66	10,628.44	S	5F	Proprietary Ownership	Proprietary Ownership
	5,090	0.8%	828.70	2,771.59	S/SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,350	0.5%	749.42	4,452.39	S/RC	B1/7F	Proprietary Ownership	Proprietary Ownership
	2,600	0.4%	9,193.00	—	—	—	Proprietary Ownership	—
	2,150	0.3%	7,594.00	—	—	—	Proprietary Ownership	—
	28,000	4.5%	3,582.39	37,932.95	S/SRC	B4/9F	Proprietary Ownership	Proprietary Ownership
	5,150	0.8%	7,311.98	17,461.22	S/SRC	4F	Proprietary Ownership	Proprietary Ownership
	4,350	0.7%	1,947.80	10,594.19	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	6,460	1.0%	60,747.02	—	—	—	Proprietary Ownership	—
	1,800	0.3%	2,449.00	3,471.69	S	4F	Proprietary Ownership	Proprietary Ownership
	1,760	0.3%	3,252.76	—	—	—	Proprietary Ownership	—
	1,880	0.3%	2,391.44	—	—	—	Proprietary Ownership	—
	2,621	0.4%	231.00	1,646.50	RC	B1/9F	Leasehold Rights	Proprietary Ownership
	5,500	0.9%	466.76	1,486.52	S	B1/4F	Proprietary Ownership	Proprietary Ownership
	3,938	0.6%	3,658.25	17,889.43	S/RC	B2/6F	Proprietary Ownership	Proprietary Ownership
	3,000	0.5%	159.59	1,234.99	SRC	10F	Surface Right	Proprietary Ownership
	9,285	1.5%	7,266.41	59,361.08	SRC/RC/S	B3/28F	Right of Site (Co-ownership)	Compartmentalized Ownership
	1,750	0.3%	7,461.97	4,733.74	S	2F	Proprietary Ownership	Proprietary Ownership
	2,257	0.4%	453.81	3,296.58	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	5,400	0.9%	1,361.96	11,795.38	SRC	B1/9F	Proprietary Ownership	Compartmentalized Ownership
	2,080	0.3%	1,358.91	6,079.35	SRC	7F	Proprietary Ownership	Proprietary Ownership
	2,350	0.4%	703.24	5,218.55	SRC/RC	B1/9F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	2,150	0.3%	689.70	4,031.14	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	14,279	2.3%	7,265.79	58,882.64	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	19,200	3.1%	8,615.20	51,254.06	S/RC/SRC	B2/14F	Proprietary Ownership	Proprietary Ownership
	5,021	0.8%	(53,363.57)	(—)	—	—	Proprietary Ownership (Co-ownership)	—
	8,500	1.4%	3,262.50	10,768.11	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	4,200	0.7%	690.93	6,318.81	S/RC	B1/10F	Proprietary Ownership	Proprietary Ownership
	14,800	2.4%	3,464.39	22,952.71	SRC/RC	B2/12F	Proprietary Ownership (Co-ownership)	Proprietary Ownership (Co-ownership)
	12,100	1.9%	3,201.80	19,802.22	SRC/RC	B2/7F	Proprietary Ownership	Proprietary Ownership
	6,080	1.0%	3,302.07	14,507.92	SRC	B2/13F	Proprietary Ownership	Proprietary Ownership
	7,050	1.1%	2,525.41	15,387.49	SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	3,290	0.5%	1,328.93	4,795.06	RC	B1/6F	Proprietary Ownership	Proprietary Ownership
	2,570	0.4%	428.62	1,972.43	S	7F	Proprietary Ownership	Proprietary Ownership
	2,210	0.4%	390.86	1,895.87	SRC	B1/7F	Proprietary Ownership	Proprietary Ownership
	1,710	0.3%	475.00	4,141.89	SRC	B1/10F	Proprietary Ownership	Proprietary Ownership
	9,890	1.6%	1,183.52	10,694.91	S/SRC	B1/13F	Proprietary Ownership (Co-ownership)	Compartmentalized Ownership
	6,840	1.1%	1,401.61	8,331.90	S/RC	B2/8F	Right of Site (Co-ownership)	Compartmentalized Ownership
	2,750	0.4%	1,474.05	6,598.52	SRC	B1/7F	Right of Site (Co-ownership)	Compartmentalized Ownership
	1,160	0.2%	455.94	2,317.67	SRC	7F	Leasehold Rights	Proprietary Ownership
	2,460	0.4%	257.87	2,038.70	SRC	10F	Proprietary Ownership	Proprietary Ownership
	6,860	1.1%	2,053.30	16,142.54	S/SRC	B1/18F	Proprietary Ownership	Proprietary Ownership
	4,570	0.7%	1,284.23	9,596.62	SRC	B1/9F	Proprietary Ownership	Proprietary Ownership
	2,670	0.4%	1,342.54	8,219.53	SRC/RC/S	B1/11F	Proprietary Ownership	Proprietary Ownership
	9,590	1.5%	3,929.31	33,316.53	SRC	B2/20F	Proprietary Ownership	Proprietary Ownership
	1,790	0.3%	987.04	6,048.97	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	987	0.2%	1,940.08	3,725.13	SRC	B1/6F	Proprietary Ownership	Proprietary Ownership
	9,500	1.5%	2,733.00	24,412.67	S/SRC	B1/15F	Proprietary Ownership	Proprietary Ownership
	2,100	0.3%	1,120.85	6,165.88	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	2,300	0.4%	488.93	3,227.62	SRC	B1/9F	Right of Site (Co-ownership)	Compartmentalized Ownership
	1,480	0.2%	1,294.88	5,333.51	S	7F	Proprietary Ownership	Proprietary Ownership
	1,220	0.2%	1,012.06	5,017.30	S	8F	Proprietary Ownership	Proprietary Ownership
	2,100	0.3%	727.86	3,781.22	SRC/S	7F	Proprietary Ownership	Proprietary Ownership
	3,600	0.6%	2,146.31	10,396.94	S	9F	Proprietary Ownership	Proprietary Ownership
	11,521	1.9%	15,542.84	110,955.68	(1)SRC/S (2)RC (3)SRC	(1)B3/31F (2)B1/2F (3)B2/12F	Proprietary Ownership	Compartmentalized Ownership, Proprietary Ownership
	11,200	1.8%	5,491.44	31,583.38	(1)S/SRC (2)SRC/RC	(1)B1/17F (2)B1/18F	Proprietary Ownership	Proprietary Ownership

Portfolio Properties

Portfolio Roster (As of May 31, 2017)

No.	Property Name	Location	Type of Asset	Completion Date (Note 1)	Acquisition Date (Note 2)	
Hotels						
C1	Shinjuku Washington Hotel Honkan ^(Note 7)	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1983	Dec. 22, 2003	
(B6)	Shin-Osaka Central Tower (hotel portion) ^(Note 6)	Osaka, Osaka	Trust beneficial interest in real estate	Jun. 1989	Dec. 2, 2004	
C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	Minato-ku, Tokyo	Real estate	Oct. 1999	Feb. 18, 2005	
C3	MZ BLD.	Hachioji, Tokyo	Trust beneficial interest in real estate	Apr. 2007	Apr. 10, 2008	
C4	HOTEL ROUTE-INN Yokohama Bashamichi	Yokohama, Kanagawa	Real estate	Jul. 2007	Jun. 30, 2008	
C5	Hotel JAL City Naha	Naha, Okinawa	Trust beneficial interest in real estate	May 2006	Oct. 25, 2011	
C6	UUR Yotsuya Sanchome Building	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Jan. 1997	Dec. 26, 2011	
C7	Yotsuya 213 Building	Shinjuku-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2001	Mar. 18, 2013	
C9	the b roppongi	Minato-ku, Tokyo	Trust beneficial interest in real estate	Jan. 2001	May 1, 2014	
C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	Kawasaki, Kanagawa	Trust beneficial interest in real estate	Sep. 2005	Aug. 31, 2015	
C11	Toyoko Inn Hiroshima Heiwa-odori	Hiroshima, Hiroshima	Trust beneficial interest in real estate	Mar. 2004	Aug. 31, 2015	
C12	Toyoko Inn Naha Kokusai-dori Miehashi-eki	Naha, Okinawa	Trust beneficial interest in real estate	Apr. 2002	Aug. 31, 2015	
C13	Loisir Hotel & Spa Tower Naha ^(Note 10)	Naha, Okinawa	Trust beneficial interest in real estate	(1)Oct. 1992 (2)Jun. 2009	Feb. 5, 2016	
C14	Urawa Royal Pines Hotel	Saitama, Saitama	Trust beneficial interest in real estate	Aug. 1999	Apr. 1, 2016	
(B44)	SS30 ^(Note 8, 9)	Sendai, Miyagi	Trust beneficial interest in real estate	Mar. 1989	Mar. 30, 2017	
Residential Properties						
D1	T&G Higashi-ikebukuro Mansion	Toshima-ku, Tokyo	Trust beneficial interest in real estate	Dec. 2001	Dec. 26, 2003	
D4	Komazawa Court	Setagaya-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1998	Dec. 26, 2003	
D6	Sky Court Shiba-Daimon	Minato-ku, Tokyo	Trust beneficial interest in real estate	Apr. 2003	Oct. 15, 2004	
D7	Maison Ukima	Kita-ku, Tokyo	Trust beneficial interest in real estate	Mar. 1992	Oct. 26, 2004	
D8	Narashino Residence	Funabashi, Chiba	Trust beneficial interest in real estate	Feb. 1990	Oct. 26, 2004	
D9	Aprile Shin-Ohgi Ichibankan	Kobe, Hyogo	Trust beneficial interest in real estate	Sep. 1997	Apr. 13, 2005	
D10	UUR Court Sapporo Kita-Sanjo	Sapporo, Hokkaido	Trust beneficial interest in real estate	Feb. 2006	Mar. 16, 2006	
D11	UUR Court Chiba Soga	Chiba, Chiba	Trust beneficial interest in real estate	Apr. 1993	Feb. 8, 2006	
D12	Higashi-kurume Dormitory Shinkan	Higashikurume, Tokyo	Trust beneficial interest in real estate	Mar. 1997	Feb. 8, 2006	
D13	Nanzan Court Ichigokan	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1997	Mar. 30, 2006	
D14	Nanzan Court Nigokan	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 1999	Mar. 30, 2006	
D15	CLIO Bunkyo Koishikawa	Bunkyo-ku, Tokyo	Trust beneficial interest in real estate	Feb. 2005	Apr. 28, 2006	
D16	GRAND-ROUGE Sakae	Nagoya, Aichi	Trust beneficial interest in real estate	Mar. 2006	Nov. 30, 2006	
D17	GRAND-ROUGE Sakae II	Nagoya, Aichi	Trust beneficial interest in real estate	Feb. 2007	Dec. 26, 2007	
D18	MA Sendai Building	Sendai, Miyagi	Trust beneficial interest in real estate	Feb. 2008	Sep. 24, 2008	
D19	UUR Court Nagoya Meieki	Nagoya, Aichi	Trust beneficial interest in real estate	Aug. 2008	Sep. 30, 2008	
D20	UUR Court Sapporo Shinoro Ichibankan	Sapporo, Hokkaido	Real estate	Sep. 2008	Nov. 11, 2008	
D21	Park Site IZUMI	Nagoya, Aichi	Trust beneficial interest in real estate	Sep. 2002	Nov. 21, 2008	
D22	UUR Court Osaka Juso-honmachi	Osaka, Osaka	Trust beneficial interest in real estate	Jan. 2009	Feb. 26, 2009	
D23	UUR Court Kinshicho	Koto-ku, Tokyo	Real estate	Feb. 1998	Jun. 15, 2011	
D24	UUR Court Sapporo Minami-Sanjo Premier Tower	Sapporo, Hokkaido	Trust beneficial interest in real estate	Sep. 2006	Jun. 28, 2012	
D25	GRAND-ROUGE Nakanoshima-minami	Osaka, Osaka	Trust beneficial interest in real estate	Aug. 2009	Jun. 25, 2013	
D26	Glenpark Umeda-kita	Osaka, Osaka	Trust beneficial interest in real estate	Aug. 2007	Aug. 29, 2014	
D27	UUR Court Shiki	Shiki, Saitama	Trust beneficial interest in real estate	Mar. 1999	Sep. 18, 2015	
D28	Scent Hills	Osaka, Osaka	Trust beneficial interest in real estate	Jul. 2010	Dec. 1, 2016	
Others						
E1	Lilycolor Tohoku Branch	Sendai, Miyagi	Trust beneficial interest in real estate	Apr. 1996	May 29, 2006	
E2	KDDI Fuchu Building	Fuchu, Tokyo	Trust beneficial interest in real estate	Dec. 1999	May 16, 2013	
E3	Tsubogawa Square Building	Naha, Okinawa	Trust beneficial interest in real estate	Jun. 2009	Nov. 1, 2013	
E4	THE PLACE of TOKYO	Minato-ku, Tokyo	Trust beneficial interest in real estate	Oct. 1964	May 1, 2014	
E5	Logistics Higashi-Ohgishima ^(Note 11)	Kawasaki, Kanagawa	Trust beneficial interest in real estate	May 2008	Oct. 2, 2014	
E6	MT Ariake Center Building I&II ^(Note 12)	Koto-ku, Tokyo	Trust beneficial interest in real estate	(1)Apr. 1989 (2)Jun. 1992	Nov. 25, 2014	
E7	Quartz Tower	Shibuya-ku, Tokyo	Trust beneficial interest in real estate	Aug. 2015	Nov. 13, 2015	
E8	Shin-Narashino Logistics Center	Narashino, Chiba	Trust beneficial interest in real estate	Jun. 1991	Aug. 7, 2015	
E9	Kawagoe Logistics Center	Kawagoe, Saitama	Trust beneficial interest in real estate	Aug. 2007	Jun. 17, 2016	
E10	Asuto Nagamachi Dental Clinic	Sendai, Miyagi	Trust beneficial interest in real estate	Oct. 2014	Aug. 29, 2016	
E11	Shin-Narashino Logistics Center II	Narashino, Chiba	Trust beneficial interest in real estate	Jan. 1990	Jan. 31, 2017	
Total						

Notes: 1. Each piece of information in the "Completion Date," "Site Area," "Total Floor Space," "Construction" and "Number of Floors" is described as it appears on the real estate register unless otherwise stated in this footnote or other footnotes. Some information may differ from the current situations. In regard to the "Site Area" for properties where a part of the site space is for leasehold land, total site area including the site space for leasehold is described. In regard to the "Site Area" and "Total Floor Space" of properties held in co-ownership with other entities, total figures are described.

2. The "Acquisition Date" of properties owned by NCI (the "Former NCI Properties") is described as of December 1, 2010, the effective date of the merger.

3. The "Acquisition Price" is an amount (the amount stated in each purchase and sale agreement, excluding consumption taxes) that does not include the expenses (e.g. agency fees, public taxes and impositions) necessary for making the relevant acquisitions and is rounded to the nearest million yen. The "Acquisition Price" of the Former NCI Properties is the acceptance price at the time of the merger.

4. For properties consisting of several buildings, some information in the "Completion Date," "Construction" and "Number of Floors" applies to the main building, unless otherwise indicated.

5. maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) includes the retail portion and the office portion.

6. Shin-Osaka Central Tower and SS30 include the office portion and the hotel portion.

7. For the Hamamatsucho 262 Building, the additional acquisitions were executed on October 31, 2011 and January 23, 2013, respectively. In addition, for the Shinjuku Washington Hotel Honkan, the additional acquisition was executed on September 29, 2010. The acquisition prices in the above table are the total amount of the existing possession and the additional acquisition. Furthermore, the "Acquisition Date" above is the initial acquisition date by United Urban.

	Acquisition Price (Millions of yen) (Note 3)	Share in Total Acquisition Price	Site Area (m ²) (Note 1)	Total Floor Space (m ²) (Note 1)	Construction (Note 1) (Note 4)	Number of Floors (Note 1) (Note 4)	Type of Ownership	
							Land	Building
	21,140	3.4%	6,215.31	59,985.37	S/SRC	B4/25F	Proprietary Ownership (partly Co-ownership)	Compartmentalized Ownership (partly, Co-ownership)
	9,721	1.6%	(7,265.79)	(58,882.64)	SRC	B1/23F	Proprietary Ownership	Proprietary Ownership
	1,884	0.3%	482.10	2,928.94	SRC	14F	Proprietary Ownership	Proprietary Ownership
	3,800	0.6%	1,304.44	7,708.88	S	13F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,720	0.8%	970.83	6,610.51	SRC	11F	Proprietary Ownership	Proprietary Ownership
	7,650	1.2%	3,573.31	13,655.23	SRC/RC	B1/14F	Proprietary Ownership and Leasehold Rights	Proprietary Ownership
	4,200	0.7%	1,053.16	7,682.82	SRC/RC	B1/13F	Proprietary Ownership	Proprietary Ownership
	5,020	0.8%	1,264.94	7,884.53	SRC	14F	Proprietary Ownership	Compartmentalized Ownership
	3,500	0.6%	482.37	3,138.82	SRC	B2/9F	Proprietary Ownership	Proprietary Ownership
	2,655	0.4%	639.19	4,785.93	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	2,113	0.3%	660.40	4,345.24	SRC	14F	Proprietary Ownership	Proprietary Ownership
	745	0.1%	384.93	1,566.12	S/RC	9F	Proprietary Ownership	Proprietary Ownership
	20,000	3.2%	11,850.24	45,731.16	(1)SRC/RC (2)SRC	(1)B1/12F (2)13F	Right of Site (Co-ownership), Proprietary Ownership	Compartmentalized Ownership (partly Co-ownership), Proprietary Ownership
	17,500	2.8%	7,418.83	51,071.32	SRC/S	B3/20F	Proprietary Ownership, Right of Site	Compartmentalized Ownership
	6,679	1.1%	(15,542.84)	(110,955.68)	(1)SRC/S (2)RC (3)SRC	(1)B3/31F (2)B1/2F (3)B2/12F	Proprietary Ownership	Compartmentalized Ownership, Proprietary Ownership
	2,021	0.3%	398.82	3,300.18	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	1,680	0.3%	2,943.33	3,580.44	RC	3F	Proprietary Ownership	Proprietary Ownership
	1,175	0.2%	233.66	1,486.38	SRC	12F	Proprietary Ownership	Proprietary Ownership
	3,530	0.6%	6,456.64	12,691.43	SRC	12F	Proprietary Ownership	Proprietary Ownership
	1,140	0.2%	3,948.67	6,840.86	SRC	B1/8F	Proprietary Ownership	Proprietary Ownership
	3,031	0.5%	3,329.45	12,700.44	SRC	14F	Proprietary Ownership	Proprietary Ownership
	1,278	0.2%	1,249.45	6,588.72	RC	B1/14F	Proprietary Ownership	Proprietary Ownership
	620	0.1%	1,990.13	2,931.14	RC	6F	Proprietary Ownership	Proprietary Ownership
	480	0.1%	2,635.52	1,397.61	RC	B1/3F	Proprietary Ownership	Proprietary Ownership
	1,070	0.2%	2,423.12	3,551.60	RC	5F	Proprietary Ownership	Proprietary Ownership
	450	0.1%	1,137.18	1,762.40	RC	5F	Proprietary Ownership	Proprietary Ownership
	3,170	0.5%	814.54	5,871.77	SRC	B1/15F	Right of Site	Compartmentalized Ownership
	1,570	0.3%	1,009.16	3,912.49	RC	10F	Proprietary Ownership	Proprietary Ownership
	1,300	0.2%	674.34	3,172.34	RC	11F	Proprietary Ownership	Proprietary Ownership
	3,440	0.6%	3,656.44	12,642.98	SRC/RC	B1/14F	Leasehold Rights	Proprietary Ownership
	1,473	0.2%	639.17	3,207.39	RC	15F	Proprietary Ownership	Proprietary Ownership
	870	0.1%	3,340.48	6,255.74	RC	10F	Proprietary Ownership	Proprietary Ownership
	900	0.1%	336.55	2,196.97	S	12F	Proprietary Ownership	Proprietary Ownership
	1,570	0.3%	1,266.32	4,166.73	RC	11F	Proprietary Ownership	Proprietary Ownership
	2,900	0.5%	924.27	6,890.13	SRC	B1/14F	Proprietary Ownership	Proprietary Ownership
	2,050	0.3%	1,077.92	10,224.31	RC	B1/17F	Proprietary Ownership	Proprietary Ownership
	1,380	0.2%	405.74	3,741.79	RC	15F	Proprietary Ownership	Proprietary Ownership
	5,150	0.8%	2,156.35	14,340.44	RC	B1/15F	Proprietary Ownership	Proprietary Ownership
	2,730	0.4%	6,132.03	9,885.83	SRC/RC	13F	Proprietary Ownership	Proprietary Ownership
	1,300	0.2%	817.52	3,607.14	RC	13F	Proprietary Ownership	Proprietary Ownership
	2,050	0.3%	5,457.02	8,693.79	RC/S	4F	Proprietary Ownership	Proprietary Ownership
	4,920	0.8%	5,479.15	14,165.71	S	6F	Right of Site (Co-ownership)	Compartmentalized Ownership (Co-ownership)
	4,150	0.7%	5,294.63	14,742.80	S	11F	Proprietary Ownership	Proprietary Ownership
	3,500	0.6%	645.87	3,105.31	SRC	B3/7F	Surface Right	Proprietary Ownership
	4,233	0.7%	28,351.30	41,949.12	S	4F	Proprietary Ownership	Proprietary Ownership
	8,000	1.3%	8,307.00	22,917.94	(1)S/SRC (2)S	(1)5F (2)5F	Proprietary Ownership	Proprietary Ownership
	5,700	0.9%	354.27	2,720.38	S/SRC	B1/12F	Proprietary Ownership	Proprietary Ownership
	2,555	0.4%	6,968.26	13,268.65	S	6F	Proprietary Ownership	Proprietary Ownership
	7,550	1.2%	32,665.82	47,284.22	RC/S	4F	Proprietary Ownership	Proprietary Ownership
	1,200	0.2%	2,009.14	1,554.09	S	B1/2F	Proprietary Ownership	Proprietary Ownership
	2,590	0.4%	7,870.01	12,578.45	S	4F	Proprietary Ownership	Proprietary Ownership
	621,559	100.0%	812,697.64	1,614,353.13				

Notes: 8. The property comprises three buildings: an office building, a fitness club building and a hotel building, and some of the information are shown for an office building as (1), a fitness club building as (2), and a hotel building as (3). In addition, because the completion date of an office building and a hotel building disappears on the real estate register, the completion date of a fitness club building is described.

9. The property comprises two buildings: LOOP-X (office building) and LOOP-M (residential building), and some of the information are shown for LOOP-X as (1) and LOOP-M as (2).

10. The property comprises two buildings: Main Building and the Annex, and some of the information are shown for the Main Building as (1) and the Annex as (2).

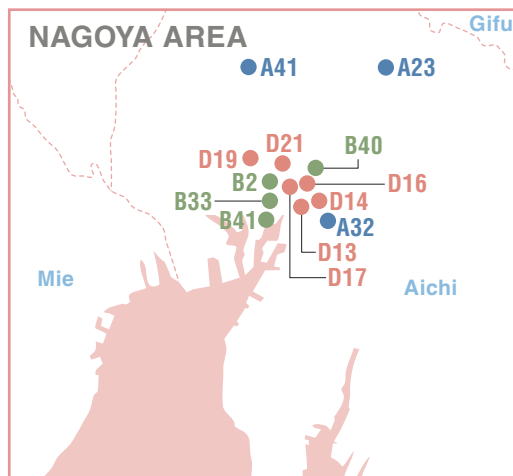
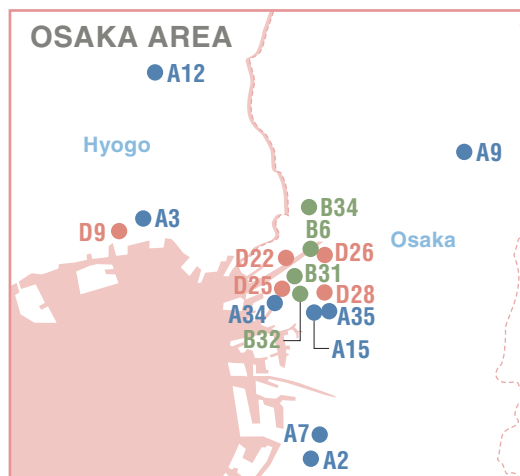
11. United Urban sold its 49% quasi co-ownership of the property and continues to hold the remaining 51% quasi co-ownership. The acquisition price is calculated as 51% of the initial acquisition price (¥8,300 million).

12. The property comprises two buildings: MT Ariake Center Building I (the "Building I") and MT Ariake Center Building II (the "Building II"), and some of the information are shown for the Building I as (1) and the Building II as (2). And "Site Area" of the property is described as it appears on the notification for provisional replotting.

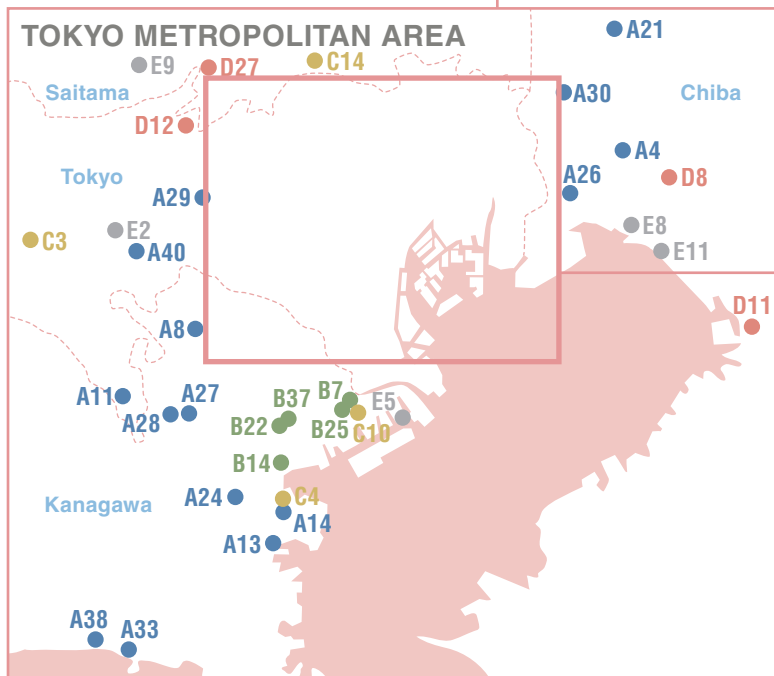
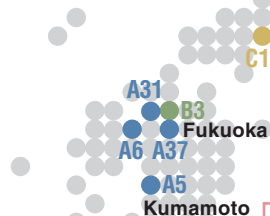
13. The property name was changed from 455 Ueno Building to ACTIOLE Ueno on April 24, 2017.

Portfolio Properties

Portfolio Map

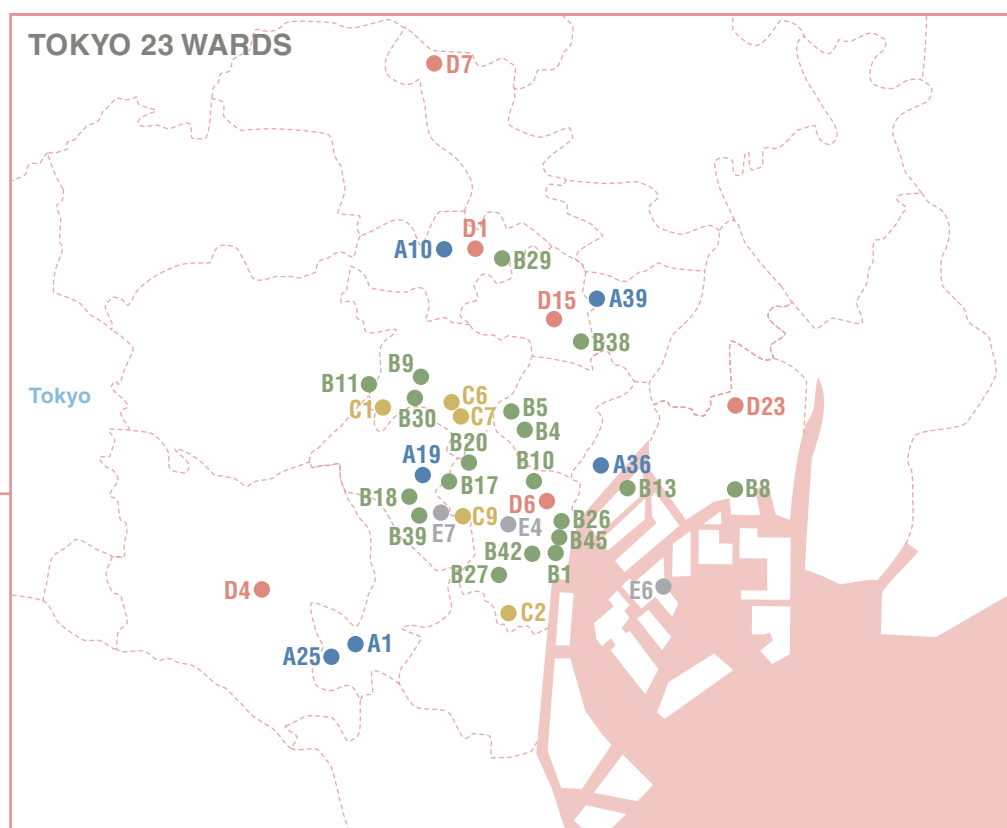


- A1 Himonya Shopping Center
- A2 Joy Park Izumigaoka
- A3 Ashiya Kawanishi Shopping Mart
- A4 Re-LAND Shopping Center
- A5 AEON MALL Uki
- A6 TENJIN LUCE
- A7 Yamada Denki Tecc Land Sakai Honten
- A8 Miyamae Shopping Center
- A9 KONAMI SPORTS CLUB Korigaoka
- A10 ACTIOLE Minami-ikebukuro
- A11 Tip's Machida Building
- A12 Daiei Takarazuka Nakayama
- A13 maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) (Note 1)
- A14 ACTIOLE Kannai
- A15 Shinsaibashi OPA Honkan
- A19 Albore Jingumae
- A20 Albore Sendai
- A21 Mallage Kashiwa
- A23 Ito-Yokado Owariasahi
- A24 Yokohama Kariba Shopping Center
- A25 Luz Jiyugaoka
- A26 ACTIOLE Ichikawa
- A27 VIVAHOME Yokohama Aoba (Site)
- A28 Yamada Denki Tecc Land Aoba (Site)
- A29 Yodobashi Camera Multimedia Kichijoji
- A30 Yamada Denki Tecc Land New Matsudo Honten
- A31 Tenjin Loft Building
- A32 Narumi Shopping Center (Site)
- A33 Plussing Wave Enoshima
- A34 LIFE Nishikujo (Site)
- A35 LIFE Tamatsukuri (Site)
- A36 Granbell Ginza Building
- A37 UUR Tenjin Nishi-dori Building
- A38 Luz Shonan Tsujido
- A39 ACTIOLE Ueno
- A40 KURURU
- A41 K's Denki Nagoya-kita
- B1 T&G Hamamatsucho Building
- B2 SK Nagoya Building
- B3 Fukuoka Eartheon Building
- B4 Marumasu Kojimachi Building



- Retail Properties
- Office Buildings
- Hotels
- Residential Properties
- Others

B5	Rokubancho K Building	B41	GRAND-SQUARE Meieki-minami	D12	Higashi-kurume Dormitory Shinkan
B6	Shin-Osaka Central Tower (Note 2)	B42	Shiba 520 Building	D13	Nanzan Court Ichigokan
B7	Kawasaki Toshiba Building	B43	Hirose-dori SE Building	D14	Nanzan Court Nigokan
B8	UUR Toyochi Building	B44	SS30 (Note 2)	D15	CLIO Bunkyo Koishikawa
B9	FOUR SEASONS BLDG	B45	LOOP-X-M	D16	GRAND-ROUGE Sakae
B10	Hitachi High-Tech Building	C1	Shinjuku Washington Hotel Honkan	D17	GRAND-ROUGE Sakae II
B11	Pacific Marks Shinjuku Parkside	C2	Toyoko Inn Shinagawa-eki Takanawa-guchi	D18	MA Sendai Building
B13	Pacific Marks Tsukishima	C3	MZ BLD.	D19	UUR Court Nagoya Meieki
B14	Pacific Marks Yokohama East	C4	HOTEL ROUTE-INN Yokohama Bashamichi	D20	UUR Court Sapporo Shinoro Ichibankan
B17	Akasaka Hikawa Building	C5	Hotel JAL City Naha	D21	Park Site IZUMI
B18	Pacific Marks Shibuya Koen-dori	C6	UUR Yotsuya Sanchoe Building	D22	UUR Court Osaka Juso-honmachi
B20	Pacific Marks Akasaka-mitsuke	C7	Yotsuya 213 Building	D23	UUR Court Kinshicho
B22	Pacific Marks Shin-Yokohama	C9	the b roppongi	D24	UUR Court Sapporo Minami-Sanjo Premier Tower
B25	Pacific Marks Kawasaki	C10	Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	D25	GRAND-ROUGE Nakanoshima-minami
B26	Hamamatsucho 262 Building	C11	Toyoko Inn Hiroshima Heiwa-odori	D26	Glenpark Umeda-kita
B27	Lila Hijirizaka	C12	Toyoko Inn Naha Kokusai-dori Miebashieki	D27	UUR Court Shiki
B29	Otsuka HT Building	C13	Loisir Hotel & Spa Tower Naha	D28	Scent Hills
B30	Pacific Marks Shinjuku South-gate	C14	Urawa Royal Pines Hotel	E1	Lilycolor Tohoku Branch
B31	Pacific Marks Nishi-Umeda	D1	T&G Higashi-ikebukuro Mansion	E2	KDDI Fuchu Building
B32	Pacific Marks Higobashi	D4	Komazawa Court	E3	Tsubogawa Square Building
B33	Nagoya Nishiki City Building	D6	Sky Court Shiba-Daimon	E4	THE PLACE of TOKYO
B34	Pacific Marks Esaka	D7	Maison Ukima	E5	Logistics Higashi-Ohgishima
B35	Pacific Marks Sapporo Kita-Ichijo	D8	Narashino Residence	E6	MT Ariake Center Building I&II
B36	Shin-Sapporo Center Building	D9	Aprile Shin-Ohgi Ichibankan	E7	Quartz Tower
B37	ARENA TOWER	D10	UUR Court Sapporo Kita-Sanjo	E8	Shin-Narashino Logistics Center
B38	Yushima First Building	D11	UUR Court Chiba Soga	E9	Kawagoe Logistics Center
B39	Dogenzaka Square			E10	Asuto Nagamachi Dental Clinic
B40	GRAND-SQUARE Shin-Sakae			E11	Shin-Narashino Logistics Center II



Notes: 1. maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site) includes the retail portion and the office portion.
2. Shin-Osaka Central Tower and SS30 include the office portion and the hotel portion.

Portfolio Properties

Major Properties

Hotels

C1 Shinjuku Washington Hotel Honkan



Others

E3 Tsubogawa Square Building



Hotels

C13 Loisir Hotel & Spa Tower Naha



Office Buildings/Hotels

B6 Shin-Osaka Central Tower



Office Buildings

B10 Hitachi High-Tech Building



Hotels

C9 the b roppongi



Office Buildings

B37 ARENA TOWER



Retail Properties

A1 Himonya Shopping Center



Portfolio Properties

Others

E7 Quartz Tower



Retail Properties

A6 TENJIN LUCE



Retail Properties

A15 Shinsaibashi OPA Honkan



Residential Properties

D26 Glenpark Umeda-kita



Retail Properties

A29 Yodobashi Camera Multimedia Kichijoji



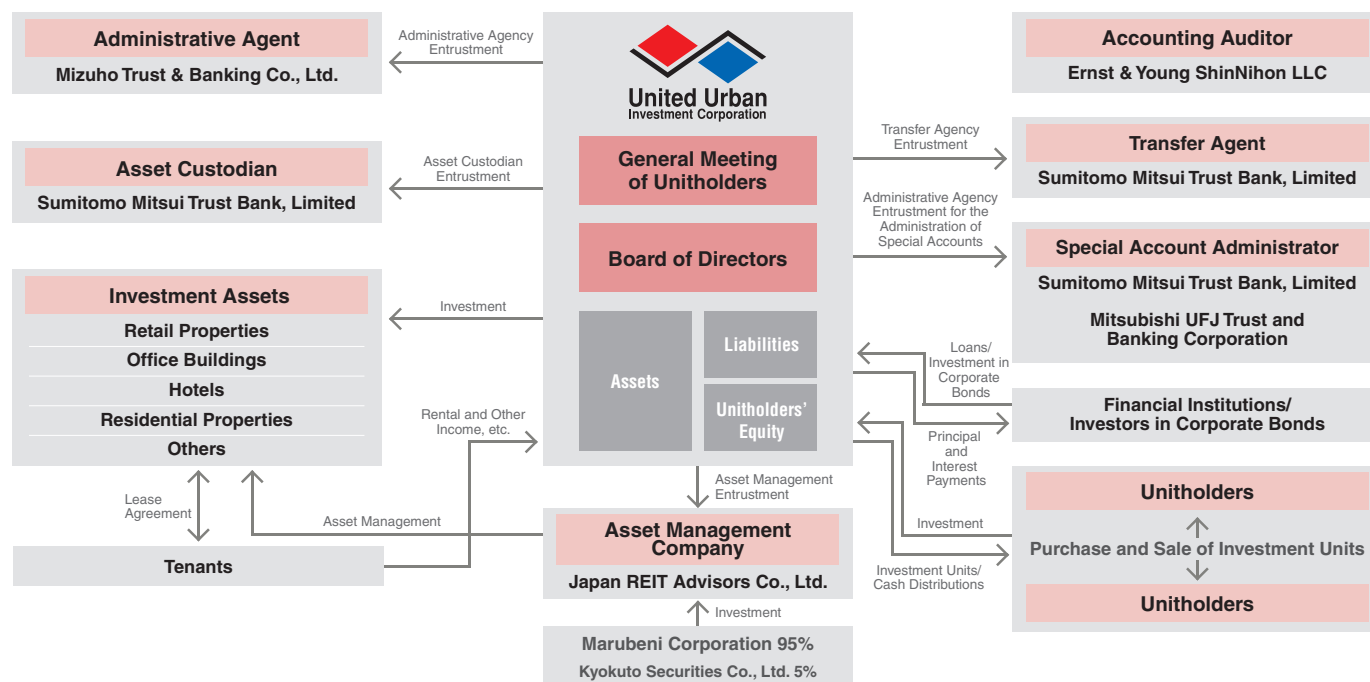
Others

E4 THE PLACE of TOKYO



Structure of United Urban / Investment Unit Information

Corporate Structure

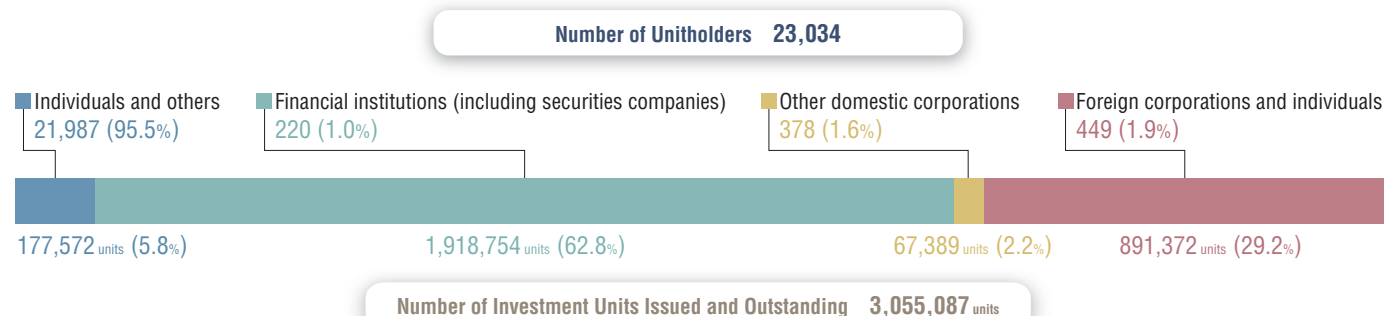


Unit Price and Trading Volume



Note: In connection with the six-for-one unit split which became effective as of December 1, 2010, United Urban's investment units have been traded at the unit price after the unit split from November 26, 2010. Accordingly, the unit prices on or before November 25, 2010, as indicated in the above chart, are divided by six, and the trading volumes on or before November 25, 2010, as indicated in the above chart, are multiplied by six.

Breakdown of Unitholders (As of May 31, 2017)



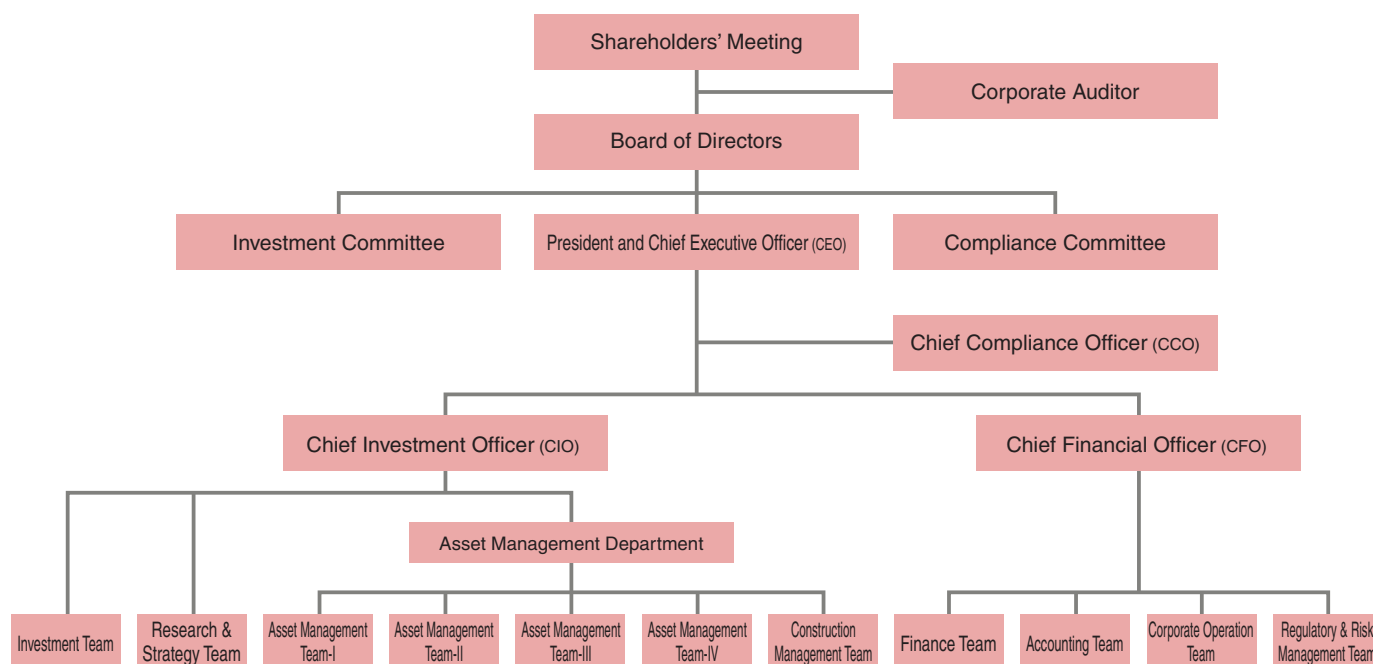
Note: Percentage figures are rounded to the nearest one decimal place. Therefore the sum of each figure does not always add up to the total.

Profile of Asset Management Company

Overview

Corporate Name	Japan REIT Advisors Co., Ltd. ("JRA")		
Address	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo		
Date of Foundation	December 4, 2001		
Capital	¥425 million (As of May 31, 2017)		
Shareholders (As of May 31, 2017)	Marubeni Corporation	95.0%	
	Kyokuto Securities Co., Ltd.	5.0%	
Representative	President and CEO Ikuo Yoshida		
Description of Business	Investment management business under Article 28, Paragraph 4 of the Financial Instruments and Exchange Act		

Organization (As of May 31, 2017)



Investment Committee

The Investment Committee deliberates and resolves important management plans and policies regarding the investment corporation in a multilayered way by cooperating with the Board of Directors. The chairman of the committee and its members are appointed by the Board of Directors. As of May 31, 2017, the chairman of the committee is the President and CEO of JRA, and the committee members are one non-executive director and one external intellectual (external lawyer).

Compliance Committee

The Compliance Committee aims at executing compliance as an asset management company which deals with the asset management of the investment corporation by cooperating with the Board of Directors and Corporate Auditor. As of May 31, 2017, the chairman of the committee is the CCO of JRA, and committee members are the President and CEO, the head of Corporate Operation Team and one external intellectual (external lawyer).

◆ PERFORMANCE REPORT

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Financial Highlights

1. Track Records on Operations

Fiscal Period (Calculation Period)		23rd Fiscal Period (December 1, 2014- May 31, 2015)	24th Fiscal Period (June 1, 2015- November 30, 2015)	25th Fiscal Period (December 1, 2015- May 31, 2016)	26th Fiscal Period (June 1, 2016- November 30, 2016)	27th Fiscal Period (December 1, 2016- May 31, 2017)
Operating revenues (Note 1) (Millions of yen)		19,466	20,070	21,444	22,864	22,982
(Rental revenues) (Millions of yen)		(19,389)	(20,070)	(20,597)	(21,501)	(22,919)
Operating expenses (Millions of yen)		10,352	10,642	10,853	11,807	11,484
(Property-related expenses) (Millions of yen)		(8,313)	(8,705)	(8,873)	(9,706)	(9,382)
Operating income (Millions of yen)		9,113	9,427	10,591	11,057	11,497
Ordinary income (Millions of yen)		7,790	8,163	9,224	9,349	10,286
Net income (a) (Millions of yen)		7,790	7,916	9,089	9,348	10,285
Total assets (compared to the previous period) (b) (Millions of yen)		573,318 (+2.1%)	598,077 (+4.3%)	629,262 (+5.2%)	648,105 (+3.0%)	675,885 (+4.3%)
Total unitholders' equity (Net assets) (compared to the previous period) (c) (Millions of yen)		282,906 (+9.5%)	297,340 (+5.1%)	298,009 (+0.2%)	333,592 (+11.9%)	351,801 (+5.5%)
Unitholders' capital (compared to the previous period) (Millions of yen)		243,869 (+11.0%)	258,160 (+5.9%)	258,160 (-)	292,411 (+13.3%)	309,205 (+5.7%)
Total no. of investment units issued and outstanding (d) (Units)		2,644,311	2,751,376	2,751,376	2,953,022	3,055,087
Net assets per unit (c)/(d) (Yen)		106,987	108,069	108,313	112,966	115,152
Total cash distribution (e) (Millions of yen)		7,668	8,124	8,254	8,888	9,929
Net income per unit (Note 2) (Yen)		2,954	2,946	3,303	3,183	3,376
Cash distribution per unit (e)/(d) (Yen)		2,900	2,953	3,000	3,010	3,250
(Distribution of earnings per unit) (Yen)		(2,900)	(2,953)	(3,000)	(3,010)	(3,250)
(Distribution in excess of earnings per unit) (Yen)		(-)	(-)	(-)	(-)	(-)
Return on assets (Annualized) (Note 3) (%)		1.4 (2.8)	1.4 (2.8)	1.5 (3.0)	1.5 (2.9)	1.6 (3.1)
Return on equity (Annualized) (Note 3) (%)		2.9 (5.8)	2.7 (5.4)	3.1 (6.1)	3.0 (5.9)	3.0 (6.0)
Equity ratio (compared to the previous period) (c)/(b) (%)		49.3 (+3.3%)	49.7 (+0.4%)	47.4 (△2.4%)	51.5 (+4.1%)	52.1 (+0.6%)
Payout ratio (Note 3) (%)		98.1	100.2	90.8	94.5	96.2
Supplementary information						
No. of investment properties at the end of the period (Properties)		108	117	118	119	123
Total leasable floor space at the end of the period (m ²)		1,177,654.28	1,229,197.15	1,296,365.99	1,342,847.93	1,443,510.75
Total no. of tenants at the end of the period (Tenants)		1,861	1,930	2,037	2,066	2,319
Occupancy ratio at the end of the period (%)		98.8	98.5	98.8	98.9	99.2
Depreciation and amortization (Millions of yen)		3,464	3,482	3,697	3,884	3,991
Capital expenditures (Millions of yen)		1,429	2,049	2,970	5,762	1,584
NOI (Net Operating Income) from leasing (Note 3) (Millions of yen)		14,540	14,847	15,420	15,679	17,528
FFO (Funds From Operations) per unit (Note 3) (Yen)		4,293	4,142	4,339	4,019	4,652
FFO ratio (Note 3) (Times)		21.6	19.8	20.2	21.8	17.5
Debt service coverage ratio (Note 3) (Times)		9.8	10.3	11.1	11.6	13.2
Net income before interest, depreciation and amortization (Note 3) (Millions of yen)		12,529	12,624	14,048	14,477	15,447
Interest expense and interest expenses on corporate bonds (Millions of yen)		1,275	1,225	1,262	1,243	1,170
Interest-bearing liabilities (Note 3) (Millions of yen)		255,357	264,707	293,157	277,407	285,857
Ratio of interest-bearing liabilities to total assets at the end of the period (Note 3) (%)		44.5	44.2	46.5	42.8	42.2
No. of operating days (Days)		182	183	183	183	182

Notes: 1. Operating revenues, etc., do not include consumption taxes.

2. Net income per unit is computed on the basis of the average numbers of investment units during the period set out below.

	23rd FP	24th FP	25th FP	26th FP	27th FP
Average no. of investment units during the period	2,636,583 units	2,686,863 units	2,751,376 units	2,936,915 units	3,045,874 units

3. The indicators stated above are computed by the methods set out below. The figures in parentheses are the annualized figures by actual days of each fiscal period, respectively.

Return on assets	Ordinary income / ((Total assets at the beginning of the period + Total assets at the end of the period) / 2) × 100
Return on equity	Net income / ((Net assets at the beginning of the period + Net assets at the end of the period) / 2) × 100
Payout ratio	Cash distribution per unit / Net income per unit × 100 (Payout ratios are rounded down to one decimal place.)
NOI (Net Operating Income) from leasing	Income or loss from property leasing in the period (Rental revenues - Property-related expenses) + Depreciation and Amortization
FFO (Funds From Operations) per unit	FFO (Net income + Depreciation and amortization + Amortization of deferred assets - Gain or loss on sales of real estate properties) / Total no. of investment units issued and outstanding
FFO ratio	Investment unit price at the end of the period / Annualized FFO per unit
Debt service coverage ratio	Net income before interest, depreciation and amortization / Interest expense and Interest expenses on corporate bonds
Net income before interest, depreciation and amortization	Net income + Depreciation and amortization + Amortization of deferred assets + Interest expense and Interest expenses on corporate bonds
Interest-bearing liabilities	Short-term borrowings + Current portion of corporate bonds + Long-term borrowings due for repayment within one year + Corporate bonds + Long-term borrowings
Ratio of interest-bearing liabilities to total assets at the end of the period	Interest-bearing liabilities at the end of the period / total assets at the end of the period × 100 (Fractions are rounded down to the nearest one decimal place.)

4. Unless otherwise indicated specifically, amounts above have been rounded down and percentage figures are rounded to the unit stated.

2. Performance Review for the Current Period

United Urban Investment Corporation (“United Urban”) was incorporated on November 4, 2003, under the Act on Investment Trusts and Investment Corporations of Japan (Act No. 198 of 1951, as amended, the “Investment Trust Act”). On December 22, 2003, United Urban was listed (Securities Code: 8960) on the real estate investment trust section (J-REIT section) of the Tokyo Stock Exchange.

United Urban defines real estate which can secure stable profitability over the medium to long term, as real estate with “Intrinsic Value” and aims to secure stable earnings over the medium to long term by investing in selected properties in consideration of “Intrinsic Value” as a diversified real estate investment trust (REIT), diversifying its investments in terms of the “types of use” and “area of location” (Note).

United Urban merged with Nippon Commercial Investment Corporation (“NCI”) on December 1, 2010 (the “Merger”). As a result of continuous property acquisitions using fund procurement through borrowings and public offering after the Merger, its asset size (on an acquisition price basis) increased to more than ¥600 billion (as of May 31, 2017).

As a result of performance, a distribution has been made in each of 26 fiscal periods from the 1st fiscal period (fiscal year ended May 31, 2004) to the 26th fiscal period (fiscal period ended November 30, 2016). For the current period (27th fiscal period: fiscal period ended May 31, 2017), United Urban decided to make cash distribution of ¥3,250 per unit.

Note: “Type of use” : Retail properties, office buildings, hotels, residential properties, and others

“Area of location” : Mainly, Tokyo metropolitan area and major Japanese cities including government designated cities and surrounding areas thereof

a. Investment Environment and Operation

(i) Investment Environment

During the period, corporate performance remains strong due to the weakness of JPY after the US presidential elections and the good condition of exports derived from the recovery of global economy. And also, financing environment has been favorable.

In the real estate sales market, transaction prices have been staying high due to the favorable financing environment. With regard to the real estate rental market, as for retail properties, the sales of the retail industry have been stable overall although there have been increases and declines in some business. Therefore, the market for retail properties remains steady. As for office buildings, although oversupply of new office buildings is expected, the asking rents in the Tokyo metropolitan area and major cities throughout Japan have been increasing due to the increasing needs for company’s business expansion. As for hotels, the number of inbound tourists (Note) keeps on increasing trend, and the room occupancy ratio keeps high level and the management environment has been favorable. As for residential properties, rental properties have a steady demand as a necessity of life, and both the occupancy ratio and rent levels remains stable.

Note: “Inbound tourists” mean foreign tourists visiting Japan.

(ii) Issuance of New Investment Units

In order to replenish cash reserves which were reduced by the acquisition of new specified assets and to procure funds for the repayment and redemption of interest-bearing liabilities, United Urban resolved the issuance of new investment units at the board of directors' meeting of United Urban, held on November 29, 2016. Thereafter, United Urban determined the offer price, the selling price and other matters for the issuance of new investment units and secondary offering of investment units at the board of directors' meeting of United Urban held on December 7, 2016. Based on these resolutions, United Urban issued 90,000 new investment units by way of public offering and 12,065 new investment units by way of third-party allotment to SMBC Nikko Securities Inc., and the payments of ¥16,793 million in connection with the issuance of new investment units by way of public offering and third-party allotment was completed (the issuance of new investment units by way of both public offering and third-party allotment hereinafter collectively referred to as the "10th Public Offering").

As a result, United Urban's total capital increased to ¥309,205 million and the total number of investment units issued and outstanding increased to 3,055,087 units.

(iii) New Acquisitions and Sale of Properties

During the period, United Urban acquired the following five properties and the land adjacent to the existing property, "the b roppongi".

Property No.	Property Name	Type (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
A41	K's Denki Nagoya-kita	Store	Nishikasugai-gun, Aichi	1,750	December 1, 2016
B44	SS30	Office Hotel	Sendai, Miyagi	18,200	March 30, 2017
B45	LOOP-X・M	Office Apartment	Minato-ku, Tokyo	11,200	April 26, 2017
D28	Scent Hills	Apartment	Osaka, Osaka	1,300	December 1, 2016
E11	Shin-Narashino Logistics Center II	Warehouse	Narashino, Chiba	2,590	January 31, 2017
Total				35,040	

Name of Asset	Type (Note 1)	Location	Acquisition Price (Millions of yen) (Note 2)	Acquisition Date
the adjacent site to the b roppongi (Note 3) (land)	-	Minato-ku, Tokyo	140 (Note 3)	January 13, 2017 (Note 3)

On the other hand, United Urban sold Pacific Marks Shin-Urayasu.

Property No.	Property Name	Type (Note 1)	Location	Sale Price (Millions of yen) (Note 2)	Date of Sale
B15	Pacific Marks Shin-Urayasu	Office	Urayasu, Chiba	4,100	May 24, 2017

- Notes: 1. Of the types of use indicated in the real estate register, the primary type is stated. The same shall apply hereinafter.
2. The acquisition price and the sale price are stated based on the prices stated in the purchase and sale agreements concerning the acquisition or sale of each property. In addition, the amount of the each price does not include expenses related to the acquisition or sales and consumption tax, etc. The same shall apply hereinafter.
3. United Urban acquired the building with leasehold of the adjacent site to the b roppongi (acquisition price ¥460 million (of which, land: ¥140 million, building with leasehold: ¥320 million)) (the "Adjacent Site") on November 18, 2016, and acquired the land of the Adjacent Site on January 13, 2017, respectively.
Because United Urban acquired the Adjacent Site in order to enable the construction of an extension of the b roppongi (the "Hotel") in the future, the Adjacent Site is considered to be attached to the Hotel and it is not recognized as one separate property. Therefore, the acquisition of the Adjacent Site was not counted as one acquisition, and the acquisition price and other information of the Adjacent Site are not included in United Urban's portfolio. The same shall apply hereinafter.

(iv) Portfolio Overview

As a result of the acquisitions and sale of properties mentioned above (iii), United Urban held a total of 123 properties, comprising 36 retail properties, 35 office buildings, 1 retail-office complex, 13 hotels, 2 office-hotel complexes, 25 residential properties and 11 others, with an aggregate acquisition price of ¥621,559 million at the end of the 27th fiscal period (as of May 31, 2017). In addition, the total leasable floor space was 1,443,510.75 sq m. and the total numbers of tenants were 2,319.

United Urban has continued to focus on improving occupancy ratios during the period. As a result, the occupancy ratio for the entire portfolio at the end of each month during the period fluctuated between 99.0% and 99.2%, and stood at 99.2% at the end of the 27th fiscal period (as of May 31, 2017).

b. Financing Overview

During this period, in addition to the fund procurement through the 10th Public Offering, United Urban procured debt financing to support the payment for acquiring specified assets and the repayment of interest-bearing liabilities.

The status of interest-bearing liabilities at the end of the previous period and the end of the 27th fiscal period are as follows.

(Millions of yen)				
	Balance at the End of the 26th Fiscal Period (As of November 30, 2016)	Balance at the End of the 27th Fiscal Period (As of May 31, 2017)	Changes	
Short-term borrowings	-	-	-	
Long-term borrowings	¥ 223,907	¥ 245,357	¥ 21,450	
Total of borrowings	223,907	245,357	21,450	
Corporate bonds	53,500	40,500	(13,000)	
Total of interest-bearing liabilities	¥ 277,407	¥ 285,857	¥ 8,450	

In addition, as of the end of the 27th fiscal period, the amount of borrowings due for repayment within one year was ¥27,973 million, and the amount of the current portion of corporate bonds that is to become due for maturity within one year was ¥20,500 million.

Moreover, the details of issuer ratings of United Urban as of June 30, 2017 are as follows.

Rating Agency	Details	
Japan Credit Rating Agency, Ltd. (JCR)	Long-Term Issuer Rating: AA	Rating Outlook: Stable
Moody's Japan K.K. (Moody's)	Long-Term Issuer Rating: A3	Rating Outlook: Stable

c. Overview of Financial Results and Distribution

As for financial result of the fiscal period, United Urban achieved operating revenues of ¥22,982 million (up by 0.5% from the previous period), profit from rental activities of ¥13,536 million (up by 14.8% from the previous period), operating income of ¥11,497 million (up by 4.0% from the previous period), ordinary income of ¥10,286 million (up by 10.0% from the previous period), and a net income of ¥10,285 million (up by 10.0% from the previous period).

With regard to the cash distribution in the period, ¥431 million of the net income was set aside as a reserve retained for distribution in terms of the strategic portfolio management and the enhanced growth of the Investment Corporation from a medium- to long- term perspective. On the other hand, starting from the fiscal period under the review, United Urban reversed the reserve for temporary difference adjustments in accordance with partial amendments of "Ordinance on Accountings of Investment Corporations" and "Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations" stipulated by the Investment Trusts Association, Japan, and decided to add the reversal amount of ¥75 million to cash distributions. As a result, United Urban decided to distribute ¥9,929 million, and cash distribution per unit was ¥3,250. In addition, the applicable condition of the Article 67-15 of the Act on Special Measures Concerning Taxation is satisfied even though the reserve retained for distribution is allocated as stated above, and the corporate tax is not imposed.

3. Issuance of New Investment Units

During this period, United Urban procured funds of ¥16,793 million through the issuance of new investment units by way of the public offering on December 14, 2016 (90,000 units) and the third-party allotment on January 12, 2017 (12,065 units). The changes in unitholders' capital and total number of investment units issued and outstanding in the past five years are shown below.

Date	Remarks	Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
March 12, 2013	Additional issue of new investment units through public offering	190,000	2,293,383	22,701	188,625	(Note 1)
April 10, 2013	Additional issue of new investment units through third-party allotment	12,064	2,305,447	1,441	190,067	(Note 2)
July 9, 2013	Additional issue of new investment units through public offering	65,000	2,370,447	7,969	198,036	(Note 3)
August 7, 2013	Additional issue of new investment units through third-party allotment	9,734	2,380,181	1,193	199,230	(Note 4)

Date	Remarks	Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of yen)		Notes
		Increase	Balance	Increase	Balance	
June 10, 2014	Additional issue of new investment units through public offering	120,000	2,500,181	18,661	217,892	(Note 5)
July 9, 2014	Additional issue of new investment units through third-party allotment	12,065	2,512,246	1,876	219,768	(Note 6)
December 9, 2014	Additional issue of new investment units through public offering	120,000	2,632,246	21,899	241,667	(Note 7)
January 7, 2015	Additional issue of new investment units through third-party allotment	12,065	2,644,311	2,201	243,869	(Note 8)
September 16, 2015	Additional issue of new investment units through public offering	95,000	2,739,311	12,680	256,549	(Note 9)
October 15, 2015	Additional issue of new investment units through third-party allotment	12,065	2,751,376	1,610	258,160	(Note 10)
June 14, 2016	Additional issue of new investment units through public offering	190,000	2,941,376	32,273	290,433	(Note 11)
July 12, 2016	Additional issue of new investment units through third-party allotment	11,646	2,953,022	1,978	292,411	(Note 12)
December 14, 2016	Additional issue of new investment units through public offering	90,000	3,043,022	14,808	307,220	(Note 13)
January 12, 2017	Additional issue of new investment units through third-party allotment	12,065	3,055,087	1,985	309,205	(Note 14)

- Notes: 1. New investment units were issued through public offering at the offer price of ¥123,382 per unit (issue price (underwriter price) ¥119,479), for the purpose of procuring funds for property acquisitions.
2. New investment units were issued through third-party allotment at the issue price of ¥119,479 per unit for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties.
3. New investment units were issued through public offering at the offer price of ¥126,616 per unit (issue price (underwriter price) ¥122,610), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds for repayments of borrowings.
4. New investment units were issued through third-party allotment at the issue price of ¥122,610 per unit for the purpose of procuring funds for repayments of borrowings.
5. New investment units were issued through public offering at the offer price of ¥160,426 per unit (issue price (underwriter price) ¥155,515), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds for property acquisitions and repayments of interest-bearing liabilities.
6. New investment units were issued through third-party allotment at the issue price of ¥155,515 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.
7. New investment units were issued through public offering at the offer price of ¥188,258 per unit (issue price (underwriter price) ¥182,495) for the purpose of procuring funds to support the repayment of interest-bearing liabilities.
8. New investment units were issued through third-party allotment at the issue price of ¥182,495 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.
9. New investment units were issued through public offering at the offer price of ¥137,690 per unit (issue price (underwriter price) ¥133,475), for the purpose of procuring funds for property acquisitions and replenishing cash reserves, which was reduced by the acquisition of properties.
10. New investment units were issued through third-party allotment at the issue price of ¥133,475 per unit for the purpose of procuring funds for property acquisitions and replenishing cash reserves, which was reduced by the acquisition of properties.
11. New investment units were issued through public offering at the offer price of ¥175,224 per unit (issue price (underwriter price) ¥169,860) for the purpose of procuring funds to support a portion of the payment for acquiring properties and a portion of the repayment of interest-bearing liabilities.
12. New investment units were issued through third-party allotment at the issue price of ¥169,860 per unit for the purpose of procuring funds to support a portion of the repayment of interest-bearing liabilities and a portion of the payment for acquiring properties.
13. New investment units were issued through public offering at the offer price of ¥169,736 per unit (issue price (underwriter price) ¥164,540), for the purpose of replenishing cash reserves, which was reduced by the acquisition of properties and procuring funds to support a portion of the repayment of interest-bearing liabilities.
14. New investment units were issued through third-party allotment at the issue price of ¥164,540 per unit for the purpose of procuring funds to support a portion of the payment for acquiring properties and a portion of the repayment of interest-bearing liabilities.

Changes in Investment Unit Prices

The highest and lowest closing prices of United Urban's investment units in the J-REIT Section of the Tokyo Stock Exchange are as follows:

	Yen				
	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)
Highest	198,300	188,200	193,800	191,700	182,400
Lowest	179,100	137,700	149,800	167,700	161,800

4. Distribution Information

With regard to the cash distribution in the period, ¥ 431 million of the net income was set aside as a reserve retained for distribution in terms of the strategic portfolio management and the enhanced growth of United Urban from a medium- to long- term perspective. On the other hand, starting from the fiscal period under the review, United Urban reversed the reserve for temporary difference adjustments in accordance with partial amendments of “Ordinance on Accountings of Investment Corporations” and “Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations” stipulated by the Investment Trusts Association, Japan, and decided to add the reversal amount of ¥75 million to cash distributions. As a result, United Urban decided to distribute ¥9,929 million, and cash distribution per unit was ¥3,250. In addition, the applicable requirement under the Article 67-15 of the Act on Special Measures Concerning Taxation is still satisfied even though the reserve retained for distribution is allocated as stated above, and the corporate tax will not be imposed.

		23rd Fiscal Period (December 1, 2014 - May 31, 2015)	24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)
Unappropriated retained earnings at the end of period	Thousands of yen	7,790,400	8,038,171	9,089,092	9,348,568	10,285,440
Retained earnings (Note)	Thousands of yen	7,876,826	7,668,286	8,503,250	8,963,223	9,319,631
Total cash distribution	Thousands of yen	7,668,501	8,124,813	8,254,128	8,888,596	9,929,032
(Cash distribution per unit)	(Yen)	(2,900)	(2,953)	(3,000)	(3,010)	(3,250)
Total profit distribution	Thousands of yen	7,668,501	8,124,813	8,254,128	8,888,596	9,929,032
(Profit distribution per unit)	(Yen)	(2,900)	(2,953)	(3,000)	(3,010)	(3,250)
Total refund of capital	Thousands of yen	-	-	-	-	-
(Refund of capital per unit)	(Yen)	(-)	(-)	(-)	(-)	(-)
Of total refund of capital, the total cash distribution from provision for temporary difference adjustment	Thousands of yen	-	-	-	-	-
(Of refund of capital per unit, cash distribution per unit from provision for temporary difference adjustment)	(Yen)	(-)	(-)	(-)	(-)	(-)
Of total refund of capital, the total cash distribution from the distribution associated with investment decrease for tax purpose	Thousands of yen	-	-	-	-	-
(Of refund of capital per unit, cash distribution per unit from the distribution associated with investment decrease for tax purpose)	(Yen)	(-)	(-)	(-)	(-)	(-)

Note: “Retained earnings” shows total amount of the balance of voluntary retained earnings such as reserve for temporary difference adjustments and reserve retained for distribution, and unappropriated retained earnings carried forward.

5. Future Policies and Challenges

As for the real estate rental market in Japan, the stable rental revenues is expected due to the steady rents for office buildings and the prospect for high level room occupancy ratio of hotels. On the other hand, as for the real estate sales market, there is a sense of caution against the market overheating, but severe competition in property acquisitions and increase in real estate prices are also expected.

Under these circumstances, United Urban will take advantage of the knowledge and network of the sponsor, cooperate with tenants, and work on various acquisition schemes in addition to its information channel of the asset management company for property acquisitions, and make efforts for property acquisition by utilizing the characteristics of a diversified J-REIT in consideration of profitability. As for asset management, United Urban aims to pursue internal growth through proactive portfolio management (Note) in addition to the existing efforts, and considers the reshuffle of properties in view of present real estate sales market.

In regard to the financial management, United Urban will make continuous efforts to create a robust and stable financial standing by reducing financial costs, extending and diversifying the maturities for interest-bearing liabilities, and ensuring enough liquidity.

Note: “Proactive portfolio management” means that United Urban and the asset management company try to improve the asset value independently, such as conducting large-scale renovations for the future in collaboration with tenants.

6. Material Facts Arising after the End of 27th Fiscal Period and Other Material Events

a. New Committed Line of Credit Agreement

United Urban concluded a new committed line of credit agreement on June 26, 2017, as set forth below.

Outline of the new committed line of credit agreement

Participating financial institutions	:	Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd
Maximum loan amount	:	¥24,000 million
Date of agreement	:	June 26, 2017
Term of agreement	:	From June 26, 2017 to June 26, 2018
Remarks	:	Unsecured, unguaranteed

b. Debt Financing for Redemption

United Urban procured debt financing of a total of ¥6,500 million on July 4, 2017 for the redemption of the corporate bonds (¥6,500 million) upon their maturity which is scheduled on July 5, 2017, as set forth below.

Title	Lender	Amount of Borrowing (Millions of yen)	Interest Rate	Drawdown Date	Maturity Date	Remarks
Term Loan 67B	Mizuho Bank, Ltd.	3,000	0.42950%	July 4, 2017	December 20, 2024	Unsecured Unguaranteed
Term Loan 68B	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,500	0.44000%		September 24, 2026	
Term Loan 69B	Sumitomo Mitsui Trust Bank, Limited	1,000	Basic interest rate (JBA one month JPY TIBOR) + 0.20%		June 20, 2022	
Term Loan 70B	Sumitomo Mitsui Banking Corporation	1,000	Basic interest rate (JBA one month JPY TIBOR) + 0.20%		June 21, 2021	
Total		6,500				

c. Acquisition of Property

United Urban acquired Yoshikawa Logistics Center with cash on hand after the end of the 27th fiscal period.

Property No.	Property Name	Type	Location	Acquisition Price (Millions of yen)	Acquisition Date
E12	Yoshikawa Logistics Center	Warehouse	Yoshikawa, Saitama	1,960	July 27, 2017

Overall Condition of Investment Corporation

1. Summary of Unitholders' Contribution

		23rd Fiscal Period (As of May 31, 2015)	24th Fiscal Period (As of November 30, 2015)	25th Fiscal Period (As of May 31, 2016)	26th Fiscal Period (As of November 30, 2016)	27th Fiscal Period (As of May 31, 2017)
Total number of investment units authorized	(Units)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total number of investment units issued and outstanding	(Units)	2,644,311	2,751,376	2,751,376	2,953,022	3,055,087
Total unitholders' capital	(Millions of yen)	243,869	258,160	258,160	292,411	309,205
Number of unitholders		24,156	24,726	22,704	22,809	23,034

2. Major Unitholders

TOP 10 unitholders based on the number of investment units held at the end of the 27th fiscal period were as follows:

Unitholder Name	Investment Units Held (Units)	Percentage of Investment Units Held (%) (Note)
Japan Trustee Services Bank, Ltd. (trust account)	690,056	22.59
The Master Trust Bank of Japan, Ltd. (trust account)	328,493	10.75
Trust & Custody Services Bank, Ltd. (securities investment trust account)	228,685	7.49
The Nomura Trust and Banking Co., Ltd. (investment trust account)	125,126	4.10
STATE STREET BANK WEST CLIENT-TREATY 505234	85,485	2.80
STATE STREET BANK-WEST PENSION FUND CLIENTS-EXEMPT 505233	59,217	1.94
NOMURA BANK (LUXEMBOURG) S.A.	51,456	1.68
STATE STREET BANK AND TRUST COMPANY 505012	35,566	1.16
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	33,124	1.08
STATE STREET BANK AND TRUST COMPANY 505223	32,585	1.07
Total	1,669,793	54.66

Note: The percentages of investment units held are rounded to two decimal places.

3. Directors and Auditor

a. Board of Directors, etc. of United Urban were as follows:

Title	Name	Other Title	Total Amount of Compensation for Directors, etc. (Thousands of yen)
Executive Officer	Hitoshi Murakami (Note 3)	-	6,000
Supervisory Officer	Masaaki Akiyama	Corporate Auditor, JOYFUL HONDA Co., Ltd. Member of Compliance Committee, Tokyo Capital Management Corporate Auditor, KYOCERA Corporation	2,100
Supervisory Officer	Tetsuo Ozawa	Corporate Auditor, Lawson, Inc. Corporate Auditor, Cemedine Co., Ltd. (Note 4) Corporate Auditor, Sekisui Chemical Co., Ltd.	2,100
Accounting Auditor	Ernst & Young ShinNihon LLC	-	21,750 (Note 5)
Total			31,950

- Notes: 1. The Executive Officer and the Supervisory Officers do not have investment units of United Urban either under their own name or other people's names.
2. The Supervisory Officers may be directors of other companies other than those indicated above. However, each company, including the companies listed above, has no interest with United Urban.
3. The term of office of the Executive Officer, Hitoshi Murakami will expire on August 31, 2017. Based on the resolution of the General Meeting of Unitholders of United Urban held on August 28, 2017, Ikuro Yoshida, the President and CEO of the Asset Management Company will assume the office of the Executive Officer on September 1, 2017.
4. Tetsuo Ozawa resigned the Corporate Auditor of Cemedine Co., Ltd. on June 21, 2017.
5. The compensation for Accounting Auditor includes the preparation fee of a comfort letter regarding the issuance of new investment units.

b. Determination policy for dismissal or non-reappointment of Accounting Auditor

The dismissal of Accounting Auditor shall be considered at the board of directors of United Urban, subject to the Investment Trust Act. In addition, non-reappointment shall also be considered at the board of directors of United Urban by comprehensively taking into account the quality of audit, audit fee and other various factors.

c. Business suspension order issued to an Accounting Auditor in the last two years

Ernst & Young ShinNihon LLC, the Accounting Auditor of United Urban, received business suspension order of accepting new engagements for 3 months (from January 1, 2016, to March 31, 2016) from the Financial Services Agency on December 22, 2015. By comprehensively considering the fact that the Accounting Auditor has been undertaking initiatives to prevent a reoccurrence and pursuing the auditing service for United Urban properly and rigorously, United Urban has determined it is deemed appropriate to continue to entrust the auditing to Ernst & Young ShinNihon LLC.

4. Advisors and Agents

Asset Management Company, Asset Custodian, and Administrative Agents at the end of the 27th fiscal period were as follows:

Role	Name
Asset Management Company	Japan REIT Advisors Co., Ltd.
Asset Custodian	Sumitomo Mitsui Trust Bank, Limited
Administrative Agent (Transfer Agent (unitholder registry))	Sumitomo Mitsui Trust Bank, Limited
Administrative Agent (Special Account Administrator)	Sumitomo Mitsui Trust Bank, Limited Mitsubishi UFJ Trust and Banking Corporation
Administrative Agent (accounting, etc.)	Mizuho Trust & Banking Co., Ltd.
Administrative Agent (related to corporate bonds)	Sumitomo Mitsui Trust Bank, Limited Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd.

Portfolio Profiles

1. Composition of Portfolio

Categories of Assets	Type of Use	Areas		26th Fiscal Period (As of November 30, 2016)		27th Fiscal Period (As of May 31, 2017)	
				Total Amounts Held (Thousands of yen) (Note1)	Percentage of Total Assets (%)	Total Amounts Held (Thousands of yen) (Note1)	Percentage of Total Assets (%)
Real Estate	Retail Properties	Capital region (Note 2)	The 6 central wards of Tokyo (Note 3)	-	-	-	-
			The 23 wards of Tokyo (Note 4)	-	-	-	-
			Tokyo metropolitan area (Note 5)	7,316,213	1.1	7,302,348	1.1
		Other regions		13,906,100	2.1	13,841,731	2.0
	Office Buildings	Capital region	The 6 central wards of Tokyo	13,211,095	2.0	13,168,248	1.9
			The 23 wards of Tokyo	9,661,189	1.5	9,623,908	1.4
			Tokyo metropolitan area	9,251,034	1.4	9,190,623	1.4
		Other regions		-	-	-	-
	Hotels	Capital region	The 6 central wards of Tokyo	2,030,919	0.3	2,134,151	0.3
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	4,199,241	0.6	4,152,761	0.6
		Other regions		-	-	-	-
	Residential Properties	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	2,940,629	0.5	2,917,234	0.4
			Tokyo metropolitan area	-	-	-	-
		Other regions		755,874	0.1	744,620	0.1
	Others	Capital region	The 6 central wards of Tokyo	-	-	-	-
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	-	-	-	-
		Other regions		-	-	-	-
	Subtotal			63,272,300	9.8	63,075,627	9.3
Real Estate in Trust	Retail Properties	Capital region	The 6 central wards of Tokyo	4,281,253	0.7	4,289,081	0.6
			The 23 wards of Tokyo	26,653,076	4.1	29,536,487	4.4
			Tokyo metropolitan area	84,631,528	13.1	81,101,516	12.0
		Other regions		65,382,721	10.1	66,947,331	9.9
	Office Buildings	Capital region	The 6 central wards of Tokyo	54,481,616	8.4	66,070,345	9.8
			The 23 wards of Tokyo	2,083,770	0.3	2,080,499	0.3
			Tokyo metropolitan area	45,723,696	7.1	42,030,113	6.2
		Other regions		53,237,070	8.2	65,083,467	9.6
	Hotels	Capital region	The 6 central wards of Tokyo	35,474,505	5.5	35,418,046	5.2
			The 23 wards of Tokyo	-	-	-	-
			Tokyo metropolitan area	5,991,389	0.9	23,577,195	3.5
		Other regions		58,148,832	9.0	47,191,605	7.0
	Residential Properties	Capital region	The 6 central wards of Tokyo	1,038,539	0.2	1,027,434	0.2
			The 23 wards of Tokyo	8,992,482	1.4	8,905,728	1.3
			Tokyo metropolitan area	4,952,109	0.8	4,930,162	0.7
		Other regions		22,091,690	3.4	23,234,534	3.4
	Others	Capital region	The 6 central wards of Tokyo	9,414,858	1.5	9,372,195	1.4
			The 23 wards of Tokyo	8,035,963	1.2	8,017,586	1.2
			Tokyo metropolitan area	19,625,088	3.0	22,137,782	3.3
		Other regions		6,866,848	1.1	6,785,808	1.0
	Subtotal			517,107,044	79.8	547,736,926	81.0
Preferred Equity Securities (Note 6)			93,905	0.0	93,905	0.0	
Bank Deposits and Other Assets			67,632,020	10.4	64,979,460	9.6	
Total Assets			648,105,270	100.0	675,885,920	100.0	

Notes: 1. "Total Amounts Held" is net book value of assets at the end of the period ("Real Estate" and "Real Estate in Trust" being stated at book value net of depreciation). The trust beneficial interest which trust asset mainly consists of real estate does not include an amount of deposit in the trust asset.

2. The "Capital region" refers to eight prefectures: Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Gunma, Tochigi and Yamanashi prefectures.
3. The "6 central wards of Tokyo" are Chiyoda, Minato, Chuo, Shinjuku, Shibuya and Shinagawa wards.
4. The "23 wards of Tokyo" are the 23 Tokyo wards excluding the "6 central wards of Tokyo."
5. "Tokyo metropolitan area" refers to the Capital region excluding the 23 Tokyo wards.
6. Preferred equity securities of Tenjin 123 Project TMK

2. Major Properties

Major properties (top 10 properties based on book value) owned by United Urban as of May 31, 2017 were as follows:

Property Name	Book Value (Millions of yen)	Leasable Floor Space (m ²) (Note 1)	Leased Floor Space (m ²) (Note 1)(Note 2)	Occupancy Ratio (%) (Note 1)	Monthly Rent Ratio at the End of the Period (%) (Note 3)	Type of Use	Granting of Security
Yodobashi Camera Multimedia Kichijoji	27,835	37,932.95	37,932.95	100.0	(Note 4)	Retail Properties	N/A
Shin-Osaka Central Tower	23,935	45,978.59	45,922.79	99.9	4.6	Office / Hotels	N/A
Shinjuku Washington Hotel Honkan	22,543	53,363.11	53,319.06	99.9	3.7	Hotels	N/A
Shinsaibashi OPA Honkan	22,026	27,025.42	27,025.42	100.0	3.3	Retail Properties	N/A
Loisir Hotel & Spa Tower Naha	20,428	45,731.16	45,731.16	100.0	1.7	Hotels	N/A
Kawasaki Toshiba Building	19,819	36,118.31	36,118.31	100.0	4.0	Office Buildings	N/A
SS30	19,090	67,681.83	66,568.59	98.4	3.5	Office / Hotels	N/A
Himonya Shopping Center	17,714	26,655.66	26,655.66	100.0	(Note 4)	Retail Properties	N/A
Urawa Royal Pines Hotel	17,646	31,129.86	31,129.86	100.0	2.6	Hotels	N/A
Hitachi High-Tech Building	14,496	15,781.64	15,781.64	100.0	1.9	Office Buildings	N/A
Total	205,536	387,398.53	386,185.44	99.7	(Note 4)		

- Notes: 1. "Leasable Floor Space," "Leased Floor Space," and "Occupancy Ratio" are based on data as of May 31, 2017. "Leasable Floor Space" means the aggregate leasable floor space of the portions owned by United Urban of individual real estate and real estate in trust. "Leased Floor Space" means the aggregate of the areas within the total leasable floor space that has been actually leased under lease agreements. (In principle, numerical values in "Leasable Floor Space" and "Leased Floor Space" are the numerical values stated in each lease agreement and in the management reports or the monthly reports prepared by the property management companies. The numerical values stated in each lease agreement are based on the figures equivalent to the total floor area of a building (*nobe yuka menseki*), the figures equivalent to the floor area stated in the land register (*tokibo kisai no yuka menseki*), the figures equivalent to the area exclusively occupied (*senyu menseki*), the figures equivalent to the total floor area plus other partially enclosed usable space (*seko yuka menseki*), or the figures equivalent to the floor area stated in the management reports or monthly reports prepared by the property management companies. The same shall apply hereinafter.) "Occupancy Ratio" is the percentage obtained from dividing "Leased Floor Space" by "Leasable Floor Space." With regard to the properties held in co-ownership with other entities, leasable floor space and leased floor space are computed by using the entire floor area.
2. As a general rule, "Leased Floor Space" indicates the floor space that has been leased to end-tenants under lease agreements. However, for master lease agreements with rental guarantee, the floor spaces in the master lease agreements are indicated.
3. "Monthly Rent Ratio at the End of the Period" is calculated based on monthly rent(s) (total of room rent and common area charges) under the lease agreement in effect as of May 31, 2017.
4. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue. Therefore, there has been no choice but to omit disclosure of this figure here.

3. Details of Properties in the Portfolio

Details of properties owned by United Urban as of May 31, 2017 were as follows:

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m ²)	Appraisal Value at the End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
Himonya Shopping Center	4-1-1 Himonya, Meguro-ku, Tokyo	Trust beneficial interest	26,655.66	22,700	17,714
Joy Park Izumigaoka	1-3 Miharadai 1-cho, Minami-ku, Sakai, Osaka	Trust beneficial interest	13,611.24	4,630	5,155
Ashiya Kawanishi Shopping Mart	3-28 Kawanishicho, Ashiya, Hyogo	Trust beneficial interest	1,558.80	1,160	739

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m ²)	Appraisal Value at the End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
Re-LAND Shopping Center	7-2-2 Fujiwara, Funabashi, Chiba	Trust beneficial interest	12,968.84	5,760	4,168
AEON MALL Uki	121-1 Gohnoe Aza Ebata, Ogawa-machi, Uki, Kumamoto, etc.	Trust beneficial interest	72,073.39	6,370	9,583
TENJIN LUCE	2-3-24 Tenjin, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	4,194.68	6,430	6,337
Yamada Denki Tecc Land Sakai Honten	5-1 Yashimochi 1-cho, Higashi-ku, Sakai, Osaka	Real estate	8,637.63	3,540	2,795
Miyamae Shopping Center	3-9-12 Inukura, Miyamae-ku, Kawasaki, Kanagawa	Trust beneficial interest	10,487.92	5,140	5,108
KONAMI SPORTS CLUB Korigaoka	3-3-1 Korigaoka, Hirakata, Osaka	Trust beneficial interest	8,627.58	1,890	1,615
ACTIOLE Minami-ikebukuro	2-26-10 Minami-ikebukuro, Toshima-ku, Tokyo	Trust beneficial interest	2,081.50	3,310	3,675
Tip's Machida Building	6-7-8 Haramachida, Machida, Tokyo	Trust beneficial interest	6,710.19	4,830	4,222
Daiei Takarazuka Nakayama	21-22 Mefuhigashino-cho, Takarazuka, Hyogo	Trust beneficial interest	16,729.60	4,060	3,253 (Note 4)
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	1-1-1 Isogo, Isogo-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	52,668.38	11,300	12,450
ACTIOLE Kannai	3-31 Masago-cho, Naka-ku, Yokohama, Kanagawa	Real estate	1,938.56	2,100	2,291
Shinsaibashi OPA Honkan	1-4-3 Nishi-Shinsaibashi, Chuo-ku, Osaka, Osaka	Trust beneficial interest	27,025.42	26,100	22,026
Albore Jingumae	5-27-7 Jingumae, Shibuya-ku, Tokyo	Trust beneficial interest	931.14	2,100	1,567
Albore Sendai	2-4-5 Chuo, Aoba-ku, Sendai, Miyagi	Trust beneficial interest	3,147.29	3,490	2,383
Mallage Kashiwa	2-3-1 Oyamadai, Kashiwa, Chiba, etc.	Trust beneficial interest	41,766.67	8,860	6,756
Ito-Yokado Owariasahi	116-4 Ishihara, Minami-Harayama-cho, Owariasahi, Aichi, etc.	Real estate	54,606.34	4,980	4,195
Yokohama Kariba Shopping Center	164-1 Kariba-cho Hodogaya-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	11,345.09	2,000	2,238
Luz Jiyugaoka	2-9-6 Jiyugaoka, Meguro-ku, Tokyo	Trust beneficial interest	2,283.47	6,090	4,969
ACTIOLE Ichikawa	1-4-17 Ichikawa, Ichikawa, Chiba	Trust beneficial interest	3,927.49	4,050	3,076
VIVAHOME Yokohama Aoba (Site)	1-2 Moegino, Aoba-ku, Yokohama, Kanagawa, etc.	Real estate	9,193.00	3,170	2,740
Yamada Denki Tecc Land Aoba (Site)	2-3 Moegino, Aoba-ku, Yokohama, Kanagawa, etc.	Real estate	7,650.63	2,490	2,270
Yodobashi Camera Multimedia Kichijoji	1-19-1 Kichijoji-honcho, Musashino, Tokyo	Trust beneficial interest	37,932.95	35,900	27,835
Yamada Denki Tecc Land New Matsudo Honten	2289-3 Matsudo Aza Iwase-sakai, Matsudo, Chiba, etc.	Trust beneficial interest	17,561.23	6,590	4,967
Tenjin Loft Building	4-9-25 Watanabe-dori, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	7,730.09	5,660	4,519
Narumi Shopping Center (Site)	3-2 Narumicho-aza Denjiyama, Midori-ku, Nagoya, Aichi, etc.	Real estate	60,419.26	7,140	6,850
Plussing Wave Enoshima	1-3-16 Kugenuma-Kaigan, Fujisawa, Kanagawa	Trust beneficial interest	3,155.64	2,140	1,859
Life Nishikujo (Site)	6-41-6 Nishikujo, Konohana-ku, Osaka, Osaka	Trust beneficial interest	3,252.76	2,010	1,842
Life Tamatsukuri (Site)	3-12-1 Nakamichi, Higashinari-ku, Osaka, Osaka	Trust beneficial interest	2,391.44	2,120	1,967
Granbell Ginza Building	2-8-18 Ginza, Chuo-ku, Tokyo	Trust beneficial interest	1,352.35	2,900	2,721
UUR Tenjin Nishi-dori Building	2-5-21 Tenjin, Chuo-ku, Fukuoka, Fukuoka	Trust beneficial interest	1,564.70	5,840	5,700
Luz Shonan Tsujido	1-2-12 Tsujido-Kandai, Fujisawa, Kanagawa	Trust beneficial interest	10,454.22	4,500	4,021
ACTIOLE Ueno (Note 6)	4-5-5 Ueno, Taito-ku, Tokyo	Trust beneficial interest	1,167.63	3,180	3,176
KURURU	1-50 Miyamachi, Fuchu, Tokyo	Trust beneficial interest	13,292.30	10,700	9,647
K's Denki Nagoya-kita	3-1 Nagaregawa, Aza-Toyoba, Oaza-Toyoyamacho, Nishikasugai-gun, Aichi	Trust beneficial interest	4,733.74	1,870	1,821
T&G Hamamatsucho Building	2-12-10 Shiba-Daimon, Minato-ku, Tokyo	Trust beneficial interest	2,420.85	3,120	2,074
SK Nagoya Building	1-3-7 Nishiki, Naka-ku, Nagoya, Aichi	Trust beneficial interest	8,708.52	4,970	5,504

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m ²)	Appraisal Value at the End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
Fukuoka Eartheon Building	3-6-3 Hakata-Eki Higashi, Hakata-ku, Fukuoka, Fukuoka	Trust beneficial interest	4,934.40	2,630	1,634
Marumasu Kojimachi Building	3-3-8 Kojimachi, Chiyoda-ku, Tokyo	Trust beneficial interest	2,578.84	2,480	2,443
Rokubancho K Building	2-19 Rokuban-cho, Chiyoda-ku, Tokyo, etc.	Trust beneficial interest	4,031.14	3,710	2,281
Shin-Osaka Central Tower	5-5-15 Nishi-Nakashima, Yodogawa-ku, Osaka, Osaka	Trust beneficial interest	45,978.59	28,400	23,935
Kawasaki Toshiba Building	580-1 Horikawa-cho, Saiwai-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	36,118.31	32,300	19,819
UUR Toyochō Building	2-4-18 Toyo, Koto-ku, Tokyo	Real estate	7,540.30	8,810	8,523
FOUR SEASONS BLDG	2-4-3 Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	5,000.54	5,420	4,208
Hitachi High-Tech Building	1-24-14 Nishi-Shinbashi, Minato-ku, Tokyo	Trust beneficial interest	15,781.64	15,800	14,496
Pacific Marks Shinjuku Parkside	4-15-7 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	10,947.34	11,400	12,020
Pacific Marks Tsukishima	1-15-7 Tsukishima, Chuo-ku, Tokyo	Real estate	9,336.27	6,360	5,864
Pacific Marks Yokohama East	3-4 Sakae-cho, Kanagawa-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	10,744.59	7,390	6,847
Akasaka Hikawa Building	6-18-3 Akasaka, Minato-ku, Tokyo	Trust beneficial interest	3,438.20	3,970	3,238
Pacific Marks Shibuya Koen-dori	1-6-3 Jinnan, Shibuya-ku, Tokyo	Trust beneficial interest	1,972.43	3,090	2,456
Pacific Marks Akasaka-mitsuke	3-20-6 Akasaka, Minato-ku, Tokyo	Real estate	1,675.13	2,270	2,157
Pacific Marks Shin-Yokohama	3-18-20 Shin-Yokohama, Kohoku-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	3,110.72	1,650	1,571
Pacific Marks Kawasaki	11-1 Ekimae-honcho, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Real estate	7,382.14	11,000	9,190
Hamamatsucho 262 Building	2-6-2 Hamamatsucho, Minato-ku, Tokyo	Trust beneficial interest	6,162.85	7,110	6,599
Lila Hijirizaka	3-4-9 Mita, Minato-ku, Tokyo, etc.	Real estate	4,255.02	3,100	2,637
Otsuka HT Building	3-43-1 Minami-otsuka, Toshima-ku, Tokyo	Real estate	1,774.56	1,220	1,100
Pacific Marks Shinjuku South-gate	4-2-16 Shinjuku, Shinjuku-ku, Tokyo	Real estate	1,723.03	3,260	2,508
Pacific Marks Nishi-Umeda	2-6-13 Umeda, Kita-ku, Osaka, Osaka, etc.	Trust beneficial interest	11,039.51	7,110	6,398
Pacific Marks Higobashi	1-10-8 Edobori, Nishi-ku, Osaka, Osaka	Trust beneficial interest	7,623.57	4,640	4,450
Nagoya Nishiki City Building	1-6-5 Nishiki, Naka-ku, Nagoya, Aichi	Trust beneficial interest	5,609.97	2,470	2,404
Pacific Marks Esaka	9-1 Toyotsu-cho, Suita, Osaka	Trust beneficial interest	20,005.03	9,510	9,663
Pacific Marks Sapporo Kita-Ichijo	7-4-4 Kita Ichi-jo Nishi, Chuo-ku, Sapporo, Hokkaido, etc.	Trust beneficial interest	4,727.65	2,060	1,788
Shin-Sapporo Center Building	6-2-15 Atsubetsu Chuo Ichi-jo, Atsubetsu-ku, Sapporo, Hokkaido	Trust beneficial interest	2,797.03	1,080	878
ARENA TOWER	3-1-9 Shin-yokohama, Kohoku-ku, Yokohama, Kanagawa, etc.	Trust beneficial interest	17,967.46	12,600	8,539
Yushima First Building	3-19-11 Yushima, Bunkyo-ku, Tokyo	Trust beneficial interest	4,558.77	2,850	2,080
Dogenzaka Square	5-18 Maruyamacho, Shibuya-ku, Tokyo	Trust beneficial interest	2,233.57	2,870	2,304
GRAND-SQUARE Shin-Sakae	2-19-6 Shin-Sakae, Naka-ku, Nagoya, Aichi, etc.	Trust beneficial interest	4,578.93	1,980	1,410
GRAND-SQUARE Meieki-minami	1-12-9 Meieki-minami, Nakamura-ku, Nagoya, Aichi	Trust beneficial interest	4,003.05	2,120	1,177
Shiba 520 Building	5-20-6 Shiba, Minato-ku, Tokyo	Trust beneficial interest	2,831.94	2,900	2,170
Hirose-dori SE Building	205-1 Nagake-cho, Miyagino-ku, Sendai, Miyagi	Trust beneficial interest	8,235.87	4,940	3,440
SS 30	4-6-1 Chuo, Aoba-ku, Sendai, Miyagi	Trust beneficial interest	67,681.83	18,200	19,090
LOOP-X・M	3-9-15 Kaigan, Minato-ku, Tokyo, etc.	Trust beneficial interest	21,592.14	11,600	11,774
Shinjuku Washington Hotel Honkan	3-2-9 Nishi-Shinjuku, Shinjuku-ku, Tokyo	Trust beneficial interest	53,363.11	26,500	22,543
Toyoko Inn Shinagawa-eki Takanawa-guchi	4-23-2 Takanawa, Minato-ku, Tokyo	Real estate	3,088.85	2,540	1,638

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m ²)	Appraisal Value at the End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
MZ BLD.	2-26-9 Myojin-cho, Hachioji, Tokyo	Trust beneficial interest	6,670.21	3,850	3,215
HOTEL ROUTE-INN Yokohama Bashamichi	4-53-1 Benten Dori, Naka-ku, Yokohama, Kanagawa	Real estate	7,139.44	5,040	4,152
Hotel JAL City Naha	1-3-70 Makishi, Naha, Okinawa	Trust beneficial interest	13,701.80	11,400	7,162
UUR Yotsuya Sanchome Building	3-14-1 Yotsuya, Shinjuku-ku, Tokyo	Trust beneficial interest	7,854.86	6,410	4,254
Yotsuya 213 Building	2-1-3 Yotsuya, Shinjuku-ku, Tokyo	Trust beneficial interest	7,550.16	6,310	4,996
the b roppongi (Note 5)	3-9-8 Roppongi, Mitato-ku, Tokyo	Trust beneficial interest	2,710.90	4,180	3,623
Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	2-11-14 Isogo, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	4,874.28	3,110	2,715
Toyoko Inn Hiroshima Heiwa-odori	5-15 Tanakamachi, Naka-ku, Hiroshima, Hiroshima	Trust beneficial interest	4,357.75	2,450	2,148
Toyoko Inn Naha Kokusai-dori Miebashi-eki	1-20-1 Makishi, Naha, Okinawa	Trust beneficial interest	1,529.47	812	759
Loisir Hotel & Spa Tower Naha	3-2-1 Nishi, Naha, Okinawa	Trust beneficial interest	45,731.16	22,200	20,428
Urawa Royal Pines Hotel	2-5-1 Nakachou, Urawa-ku, Saitama, Saitama	Trust beneficial interest	31,129.86	18,400	17,646
T&G Higashi-ikebukuro Mansion	3-8-8 Higashi-Ikebukuro, Toshima-ku, Tokyo	Trust beneficial interest	2,603.22	2,310	1,476
Komazawa Court	2-37-1 Komazawa, Setagaya-ku, Tokyo	Trust beneficial interest	3,741.17	2,370	1,513
Sky Court Shiba-Daimon	1-2-3 Shiba-Daimon, Minato-ku, Tokyo	Trust beneficial interest	1,486.38	1,340	1,027
Maison Ukima	1-3-1 Ukima, Kita-ku, Tokyo	Trust beneficial interest	12,691.43	4,500	3,165
Narashino Residence	4-83-10 Narashinodai, Funabashi, Chiba	Trust beneficial interest	6,840.86	1,260	996
Aprile Shin-Ohgi Ichibankan	2-10-6 Kita-Ohgi, Higashi Nada-ku, Kobe, Hyogo	Trust beneficial interest	12,700.44	3,600	2,533
UUR Court Sapporo Kita-Sanjo	3-1-28 Kitasanjo Higashi, Chuo-ku, Sapporo, Hokkaido	Trust beneficial interest	4,790.50	1,490	1,013
UUR Court Chiba Soga	2-3-5 Minami-cho, Chuo-ku, Chiba, Chiba	Trust beneficial interest	2,931.14	679	578
Higashi-kurume Dormitory Shinkan	1-8-4 Hikawadai, Higashikurume, Tokyo	Trust beneficial interest	1,397.61	545	458
Nanzan Court Ichigokan	6-8 Komagatacho, Showa-ku, Nagoya, Aichi, etc.	Trust beneficial interest	3,576.74	873	920
Nanzan Court Nigokan	5-19 Komagatacho, Showa-ku, Nagoya, Aichi, etc.	Trust beneficial interest	1,890.51	428	378
CLIO Bunkyo Koishikawa	1-13-9 Koishikawa, Bunkyo-ku, Tokyo	Trust beneficial interest	4,097.51	3,370	2,749
GRAND-ROUGE Sakae	5-21-26 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficial interest	3,697.38	1,320	1,255
GRAND-ROUGE Sakae II	5-21-37 Sakae, Naka-ku, Nagoya, Aichi	Trust beneficial interest	2,579.89	1,370	1,058
MA Sendai Building	1-3-7 Kimachidori, Aoba-ku, Sendai, Miyagi	Trust beneficial interest	11,525.36	4,280	2,813
UUR Court Nagoya Meieki	2-5-4 Meieki, Nishi-ku, Nagoya, Aichi	Trust beneficial interest	2,958.45	1,570	1,239
UUR Court Sapporo Shinoro Ichibankan	Shinoro 3-jo 6-4-32, Kita-ku, Sapporo, Hokkaido	Real estate	6,271.74	910	744
Park Site IZUMI	1-14-6 Izumi, Higashi-ku, Nagoya, Aichi	Trust beneficial interest	2,067.95	764	813
UUR Court Osaka Juso-honmachi	3-4-15 Jusohommachi, Yodogawa-ku, Osaka, Osaka	Trust beneficial interest	3,650.00	1,740	1,352
UUR Court Kinshicho	1-7-5 Kameido, Koto-ku, Tokyo	Real estate	5,460.39	3,630	2,917
UUR Court Sapporo Minami-Sanjo Premier Tower	2-3 Minamisanjo Nishi 1-chome, Chuo-ku, Sapporo, Hokkaido, etc.	Trust beneficial interest	7,763.23	2,980	1,899
GRAND-ROUGE Nakanoshima-minami	1-25-27 Edohori, Nishi-ku, Osaka, Osaka	Trust beneficial interest	3,090.36	1,650	1,351
Glenpark Umeda-kita	3-4-22 Nakazaki, Kita-ku, Osaka, Osaka	Trust beneficial interest	12,730.60	6,000	5,208
UUR Court Shiki	1-6-5 Saiwaicho, Shiki, Saitama	Trust beneficial interest	9,885.83	3,090	2,896
Scent Hills	3-22 Junikencho, Chuo-ku, Osaka, Osaka	Trust beneficial interest	2,792.81	1,420	1,394
Lilycolor Tohoku Branch	3-10 Okadanishimachi, Miyagino-ku, Sendai, Miyagi	Trust beneficial interest	9,271.16	2,190	1,506

Property Name	Location (Residential) (Note 1)	Type of Asset (Note 2)	Leasable Floor Space (m ²)	Appraisal Value at the End of Period (Millions of yen) (Note 3)	Book Value (Millions of yen)
KDDI Fuchu Building	1-43 Nikkocho, Fuchu, Tokyo	Trust beneficial interest	14,490.92	5,480	4,860
Tsubogawa Square Building	3-3-5 Tsubogawa, Naha, Okinawa	Trust beneficial interest	10,570.98	5,860	4,030
THE PLACE of TOKYO	3-5-4 Shibakoen, Mitato-ku, Tokyo	Trust beneficial interest	3,212.21	4,190	3,482
Logistics Higashi-Ohgishima	6-4 Higashi-Ohgishima, Kawasaki-ku, Kawasaki, Kanagawa, etc.	Trust beneficial interest	42,113.83	4,962	4,193
MT Ariake Center Building I&II	1-2-41 Ariake, Koto-ku, Tokyo, etc.	Trust beneficial interest	23,934.32	8,500	8,017
Quartz Tower	2-10-10 Shibuya, Shibuya-ku, Tokyo	Trust beneficial interest	2,940.22	6,090	5,889
Shin-Narashino Logistics Center	2-3-6 Akanehama, Narashino, Chiba	Trust beneficial interest	12,909.90	2,680	2,653
Kawagoe Logistics Center	1822-1 Aza-Obakeue, Oaza-Shimoakasaka, Kawagoe, Saitama	Trust beneficial interest	40,060.76	9,200	7,807
Asuto Nagamachi Dental Clinic	1-6-37 Asutonagamachi, Taihaku-ku, Sendai, Miyagi	Trust beneficial interest	1,554.09	1,310	1,249
Shin-Narashino Logistics Center II	2-5-2 Shibazono, Narashino, Chiba	Trust beneficial interest	12,598.46	2,610	2,623
Total (Note 5)			1,443,510.75	713,253	610,317

- Notes: 1. "Location" shows residential indication of each property, in principle. However, as for properties which have no residential indication, location stated in the land register of its building is stated. As for properties that United Urban owns only land, the location of land (lot number) is stated.
2. "Trust beneficial interest" means trust beneficial interests in trust assets comprised mainly of real estate, and "Real estate" means actual real estate.
3. "Appraisal Value at the End of Period" shows the real estate appraisal values or the prices resulting from price surveys conducted by the same methods as appraisals conducted by real estate appraisers as of May 31, 2017, based on the Articles of Incorporation of United Urban and the "Ordinance on Accountings of Investment Corporations" (Cabinet Office Ordinance No. 47 of 2006).
4. According to the soil environmental survey report on the land of this property, prepared by a designated research organization as of January 2007, elution of lead, arsenic, and fluorine with concentrations exceeding the specified safe limit were detected in almost all locations on the land of Daiei Takarazuka Nakayama. However, such report says that there is no likelihood of direct health damages on the land. As a precaution, in the case where the need for soil improvement arises, United Urban has taken over the additional amount of ¥630 million that the previous owner entrusted as the necessary cost of future soil improvement ("Reserve for Soil Improvement"), when United Urban acquired this property. The Book Value of this trust beneficial interest at the end of the period is described as ¥3,253 million reflecting the additional amount of trust.
- However, the need for soil improvement is considered to be considerably low for now. Accordingly, in consideration of the improvement of fund efficiency, United Urban has received the Reserve for Soil Improvement from the trustee.
5. United Urban acquired the building with leasehold of the Adjacent Site on November 18, 2016, and the land of the Adjacent Site on January 13, 2017, respectively. Because United Urban acquired the Adjacent Site in order to enable the construction of an extension of the Hotel in the future, the Adjacent Site is considered to be attached to the Hotel and it is not recognized as one separate property. Therefore, the appraisal value at the end of the period and other information of the Adjacent Site are not included in United Urban's portfolio.
6. The property name was changed from "455 Ueno Building" to "ACTIOLE Ueno" on April 24, 2017.

The status of rental business related to real estate properties owned by United Urban is as follows:

Name of Property	26th Fiscal Period (June 1, 2016 to November 30, 2016)				27th Fiscal Period (December 1, 2016 to May 31, 2017)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)
Himonya Shopping Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Joy Park Izumigaoka	22	99.8	266	1.2	22	100.0	262	1.1
Ashiya Kawanishi Shopping Mart	1	100.0	30	0.1	1	100.0	46	0.2
Re-LAND Shopping Center	15	97.9	248	1.2	16	98.7	246	1.1
AEON MALL Uki	1	100.0	364	1.7	1	100.0	443	1.9
TENJIN LUCE	11	100.0	220	1.0	11	100.0	218	1.0
Yamada Denki Tecc Land Sakai Honten	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Miyamae Shopping Center	3	100.0	188	0.9	3	100.0	184	0.8
KONAMI SPORTS CLUB Korigaoka	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)

Name of Property	26th Fiscal Period (June 1, 2016 to November 30, 2016)				27th Fiscal Period (December 1, 2016 to May 31, 2017)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)
ACTIOLE Minami-ikebukuro	10	100.0	84	0.4	10	100.0	88	0.4
Tip's Machida Building	9	92.2	194	0.9	10	100.0	195	0.9
Daiei Takarazuka Nakayama	1	100.0	151	0.7	1	100.0	151	0.7
maricom-ISOGO / SYSTEM PLAZA YOKOHAMA (Site)	4	100.0	299	1.4	4	100.0	299	1.3
ACTIOLE Kannai	9	100.0	58	0.3	8	90.1	64	0.3
Shinsaibashi OPA Honkan	1	100.0	684	3.2	1	100.0	684	3.0
Albore Jingumae	4	100.0	49	0.2	4	100.0	49	0.2
Albore Sendai	5	100.0	109	0.5	5	100.0	96	0.4
Mallage Kashiwa	89	97.0	684	3.2	91	97.0	672	2.9
Ito-Yokado Owariasahi	1	100.0	224	1.0	1	100.0	224	1.0
Yokohama Kariba Shopping Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Luz Jiyugaoka	19	92.5	162	0.8	19	93.3	161	0.7
ACTIOLE Ichikawa	13	100.0	153	0.7	13	100.0	150	0.7
VIVAHOME Yokohama Aoba (Site)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Yamada Denki Tecc Land Aoba (Site)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Yodobashi Camera Multimedia Kichijoji	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Yamada Denki Tecc Land New Matsudo Honten	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Tenjin Loft Building	5	100.0	292	1.4	5	100.0	293	1.3
Narumi Shopping Center (Site)	3	100.0	(Note 3)	(Note 3)	3	100.0	(Note 3)	(Note 3)
Plussing Wave Enoshima	7	96.8	78	0.4	7	96.8	77	0.3
Life Nishikujo (Site)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Life Tamatsukuri (Site)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Granbell Ginza Building	10	94.2	70	0.3	10	94.2	71	0.3
UUR Tenjin Nishi-dori Building	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Luz Shonan Tsujido	32	98.1	302	1.4	32	98.1	296	1.3
ACTIOLE Ueno	6	79.6	75	0.3	7	89.8	62	0.3
KURURU	27	100.0	197	0.9	27	100.0	459	2.0
K's Denki Nagoya-kita					1	100.0	(Note 3)	(Note 3)
T&G Hamamatsucho Building	6	100.0	95	0.4	6	100.0	93	0.4
SK Nagoya Building	13	98.5	193	0.9	13	98.5	197	0.9
Fukuoka Eartheon Building	7	93.3	101	0.5	8	100.0	110	0.5
Marumasu Kojimachi Building	16	100.0	88	0.4	16	100.0	89	0.4
Rokubancho K Building	1	100.0	108	0.5	1	100.0	108	0.5
Shin-Osaka Central Tower	61	98.2	1,111	5.2	62	99.9	1,092	4.8
Kawasaki Toshiba Building	1	100.0	836	3.9	1	100.0	836	3.7
UUR Toyochō Building	1	100.0	277	1.3	1	100.0	274	1.2
FOUR SEASONS BLDG	1	100.0	177	0.8	1	100.0	176	0.8
Hitachi High-Tech Building	2	100.0	406	1.9	2	100.0	406	1.8
Pacific Marks Shinjuku Parkside	21	99.1	324	1.5	22	100.0	351	1.5
Pacific Marks Tsukishima	46	98.9	267	1.2	46	98.8	260	1.1
Pacific Marks Yokohama East	23	89.9	224	1.0	27	95.7	232	1.0
Pacific Marks Shin-Urayasu (Note 4)	14	66.4	190	0.9	-	-	125	0.5
Akasaka Hikawa Building	1	100.0	118	0.5	1	100.0	118	0.5
Pacific Marks Shibuya Koen-dori	1	100.0	84	0.4	1	100.0	84	0.4
Pacific Marks Akasaka-mitsuke	8	100.0	66	0.3	8	100.0	66	0.3

Name of Property	26th Fiscal Period (June 1, 2016 to November 30, 2016)				27th Fiscal Period (December 1, 2016 to May 31, 2017)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)
Yokohama Aioicho Building (Note 5)	-	-	57	0.3				
Pacific Marks Shin-Yokohama	10	100.0	65	0.3	10	100.0	60	0.3
Pacific Marks Kawasaki	40	93.0	320	1.5	39	88.8	315	1.4
Hamamatsucho 262 Building	16	97.1	229	1.1	16	97.2	216	0.9
Lila Hijirizaka	16	100.0	118	0.6	15	86.6	114	0.5
Otsuka HT Building	7	100.0	58	0.3	7	100.0	57	0.3
Pacific Marks Shinjuku South-gate	10	100.0	96	0.4	10	100.0	93	0.4
Pacific Marks Nishi-Umeda	30	97.0	278	1.3	30	99.1	271	1.2
Pacific Marks Higobashi	23	100.0	172	0.8	21	96.4	161	0.7
Nagoya Nishiki City Building	30	100.0	104	0.5	30	100.0	111	0.5
Pacific Marks Esaka	41	91.5	379	1.8	40	95.0	414	1.8
Pacific Marks Sapporo Kita-Ichijo	12	100.0	95	0.4	11	100.0	97	0.4
Shin-Sapporo Center Building	19	92.5	61	0.3	18	86.8	57	0.3
ARENA TOWER	13	100.0	446	2.1	13	100.0	450	2.0
Yushima First Building	7	100.0	113	0.5	7	100.0	115	0.5
Dogenzaka Square	31	100.0	98	0.5	29	94.9	98	0.4
GRAND-SQUARE Shin-Sakae	6	100.0	94	0.4	6	94.2	90	0.4
GRAND-SQUARE Meieki-minami	13	100.0	81	0.4	13	100.0	82	0.4
Shiba 520 Building	4	83.3	67	0.3	4	83.3	85	0.4
Hirose-dori SE Building	10	100.0	209	1.0	10	100.0	212	0.9
SS30					88	98.4	349	1.5
LOOP-X・M					117	98.8	87	0.4
Shinjuku Washington Hotel Honkan	8	99.98	787	3.7	8	99.9	871	3.8
Toyoko Inn Shinagawa-eki Takanawa-guchi	1	100.0	57	0.3	1	100.0	57	0.2
MZ BLD.	8	94.6	131	0.6	8	93.7	131	0.6
HOTEL ROUTE-INN Yokohama Bashamichi	4	100.0	154	0.7	4	100.0	155	0.7
Hotel JAL City Naha	2	100.0	320	1.5	2	100.0	338	1.5
UUR Yotsuya Sanchome Building	3	100.0	180	0.8	3	100.0	185	0.8
Yotsuya 213 Building	4	100.0	177	0.8	4	100.0	178	0.8
HOTEL ROUTE-INN Nagoya Imaike Ekimae (Note 5)	-	-	(Note 3)	(Note 3)				
the b roppongi (Note 6)	2	97.2	106	0.5	3	100.0	108	0.5
Toyoko Inn Kawasaki Ekimae Shiyakusho-dori	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Toyoko Inn Hiroshima Heiwa-odori	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Toyoko Inn Naha Kokusai-dori Miebash-eki	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Loisir Hotel & Spa Tower Naha	1	100.0	842	3.9	1	100.0	759	3.3
Urawa Royal Pines Hotel	10	100.0	590	2.7	10	100.0	649	2.8
T&G Higashi-ikebukuro Mansion	120	93.0	67	0.3	126	97.7	67	0.3
Komazawa Court	1	100.0	60	0.3	1	100.0	60	0.3
Sky Court Shiba-Daimon	1	100.0	32	0.2	1	100.0	32	0.1
Maison Ukima	1	100.0	124	0.6	1	100.0	124	0.5
Narashino Residence	1	100.0	51	0.2	1	100.0	51	0.2
Aprile Shin-Ohgi Ichibankan	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
UUR Court Sapporo Kita-Sanjo	1	100.0	52	0.2	1	100.0	52	0.2

Name of Property	26th Fiscal Period (June 1, 2016 to November 30, 2016)				27th Fiscal Period (December 1, 2016 to May 31, 2017)			
	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)	Total Number of Tenants at the End of Period (Note 1)	Occupancy Ratio at the End of Period (%) (Note 2)	Rental Revenue (During the Period) (Millions of yen)	Share of Total Rental Revenue (%)
UUR Court Chiba Soga	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Higashi-kurume Dormitory Shinkan	1	100.0	16	0.1	1	100.0	16	0.1
Nanzan Court Ichigokan	1	100.0	37	0.2	1	100.0	(Note 3)	(Note 3)
Nanzan Court Nigokan	1	100.0	16	0.1	1	100.0	(Note 3)	(Note 3)
CLIO Bunkyo Koishikawa	88	95.2	96	0.4	90	99.3	101	0.4
GRAND-ROUGE Sakae	87	89.3	44	0.2	83	84.7	44	0.2
GRAND-ROUGE Sakae II	1	100.0	38	0.2	1	100.0	37	0.2
MA Sendai Building	152	99.6	167	0.8	150	99.1	168	0.7
UUR Court Nagoya Meieki	1	100.0	45	0.2	1	100.0	46	0.2
UUR Court Sapporo Shinoro Ichibankan	3	100.0	33	0.2	3	100.0	33	0.1
Park Site IZUMI	41	100.0	29	0.1	38	95.6	29	0.1
UUR Court Osaka Juso-honmachi	1	100.0	52	0.2	1	100.0	52	0.2
UUR Court Kinshicho	193	95.8	118	0.6	195	96.9	120	0.5
UUR Court Sapporo Minami-Sanjo Premier Tower	134	92.0	120	0.6	134	92.5	112	0.5
GRAND-ROUGE Nakanoshima-minami	110	93.6	55	0.3	118	100.0	53	0.2
Glenpark Umeda-kita	181	99.0	191	0.9	179	97.8	189	0.8
UUR Court Shiki	1	100.0	93	0.4	1	100.0	93	0.4
Scent Hills					50	97.9	43	0.2
Lilycolor Tohoku Branch	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
KDDI Fuchu Building	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Tsubogawa Square Building	5	100.0	299	1.4	5	100.0	285	1.2
THE PLACE of TOKYO	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Logistics Higashi-Ohgishima	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
MT Ariake Center Building I&II	3	100.0	(Note 3)	(Note 3)	3	100.0	(Note 3)	(Note 3)
Quartz Tower	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Shin-Narashino Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Kawagoe Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Ausuto Nagamachi Dental Clinic	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Shin-Narashino Logistics Center II					1	100.0	(Note 3)	(Note 3)
Total	2,066	98.9	21,501	100.0	2,319	99.2	22,919	100.0

- Notes: 1. "Total Number of Tenants" figures are stated on the basis of the data as of the end of the fiscal period. "Total Number of Tenants" figures are stated by calculating lessees that have a lease agreement concluded directly with the owner, United Urban or the respective trustee, as one tenant for each property. However, in the case of a sublease property in which the lessee is subleasing the property to end tenants and if the lease agreement between the owner, United Urban or the trustee, and the lessee is a pass-through-type agreement without rental guarantee, the number of end-tenants is counted. Furthermore, in the event that one tenant is renting more than one room, it is calculated by treating each tenant as a single tenant if within the same property, and as more than one tenant if the rentals include more than one property. For pass-through-type residential properties, however, the number of rental units is indicated.
2. "Occupancy Ratio" figures are stated on the basis of the data as of the end of the fiscal period. "Occupancy Ratio" is the percentage obtained from dividing "leased floor space" by "leasable floor space." With regard to the properties held in co-ownership with other entities, leasable floor space and leased floor space are computed by using the entire floor area.
3. With regard to these properties, the tenants with whom a lease agreement has been concluded have not given their consent for the disclosure of rental revenue. Therefore, there has been no choice but to omit disclosure of this figure here.
4. United Urban sold Pacific Marks Shin-Urayasu on May 24, 2017.
5. United Urban sold Yokohama Aioicho Building and HOTEL ROUTE-INN Nagoya Imaike Ekimae on November 29, 2016.
6. United Urban acquired the building with leasehold of the Adjacent Site on November 18, 2016, and the land of the Adjacent Site on January 13, 2017, respectively. In addition, the first floor of the building with leasehold of the Adjacent Site has been leased to two lessees, and the fixed-term building lease agreements, the expiration date of which are February 5, 2017 and March 23, 2017 respectively, are concluded. Therefore, "Rental Revenue" and "Share of Total Rental Revenue" of the b roppongi for the 26th and 27th fiscal periods are stated based on the amount including rental revenues, etc. for the Adjacent Site (26th fiscal period: ¥0 million, 27th fiscal period: ¥1 million).

4. Details of Investment Securities

Overview of investment securities owned by United Urban as of May 31, 2017 was as follows:

Name of Asset	Type of Asset	Quantity (Unit)	Book Value (Thousands of yen)		Appraisal Value (Thousands of yen)		Valuation Gain or Loss (Thousands of yen)	Remarks
			Unit price	Amount	Unit price	Amount		
Preferred equity securities of Tenjin 123 Project <i>Tokutei Mokuteki Kaisha</i> (specific purpose company) (Note 1)	Preferred equity securities	1,497	-	93,905	-	93,905 (Note 2)	-	-
Total			-	93,905	-	93,905	-	-

Notes: 1. Tenjin 123 Project *Tokutei Mokuteki Kaisha* (specific purpose company) (the "TMK") owns "the b fukuoka tenjin" (the "Hotel Property"), and United Urban has acquired the preferential negotiation right for the acquisition of the Hotel Property in connection with United Urban's acquisition of the preferred securities of the TMK.
Outline of the Hotel Property is as follows.

Name of Hotel	Location	Type*	Site Area*	Structure / Scale*	Business Starting Date
The b fukuoka tenjin	Fukuoka, Fukuoka	Hotel (125 rooms) Retail	Land: 496.79 m ² Building: 3,567.22 m ²	S/10F	July,1 2017

* "Type," "Site Area" and "Structure/Scale" in the above table are described as it appears on the real estate register.

2. As for the preferred equity securities of the TMK, book value is stated because there are no market values and values calculated using the reasonable methods.

5. Amount of Contract and Fair Value of Specified Transactions

Overview of amount of contract and fair values of specified transactions as of May 31, 2017 was as follows:

Classification	Type	Amount of Contract (Thousands of yen) (Note 1)		Fair Value (Thousands of yen) (Note 2) (Note 3)
			over one year	
Transaction other than market transactions	Interest rate swaps (fixed rate payable and floating rate receivable)	102,680,000	82,157,000	(815,249)
Total		102,680,000	82,157,000	(815,249)

- Notes: 1. The "Amount of Contract" of the interest-rate swaps is based on the notional principal.
2. The "Fair Value" is evaluated at the prices calculated by the other party of the transaction based on the prevailing market rates, etc.
3. Among the fair value amount, the interest rate swaps for which United Urban applied the special treatment under the "Accounting Standard for Financial Instruments" (Statement No.10 issued by Accounting Standards Board of Japan on March 10, 2008), are not measured at fair value in the balance sheets.

6. Status of Other Assets

As of May 31, 2017, trust beneficial interests in real estate, etc. owned by United Urban are stated in "3. Details of Properties in the Portfolio" above and there were no other specified assets.

7. Status of Holding Assets by Country and Region

United Urban does not own assets in country or region outside of Japan.

Capital Expenditures

1. Plan of Capital Expenditures

The table below sets out the principal capital expenditures for repair, etc., of properties and properties which are the trust assets of trust beneficial interests in real estate managed by United Urban (collectively the "Investment Real Estate") scheduled as of May 31, 2017. These scheduled amounts include both portions to be capitalized and expensed.

Name of Properties	Location	Purpose	Scheduled Period	Amount Projected (Millions of yen)		
				Total amount	Amount payable in the 27th fiscal period	Amount already paid
AEON MALL Uki	Uki, Kumamoto	Renewal of heat storage facility of the main building	From December 2017 to May 2018	337	-	-
Mallage Kashiwa	Kashiwa, Chiba	Installation work for new tenant	From November 2017 to November 2017	204	-	-
Mallage Kashiwa	Kashiwa, Chiba	Renewal of air-conditioning facilities	From October 2017 to December 2017	102	-	-
Mallage Kashiwa	Kashiwa, Chiba	Installation work for new tenant	From May 2018 to May 2018	102	-	-
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of air-conditioning facilities (1F, 2F, etc.)	From June 2017 to March 2018	121	-	-
Pacific Marks Nishi-Umeda	Osaka, Osaka	Renewal of central monitoring system	From October 2017 to December 2017	111	-	-
Pacific Marks Esaka	Suita, Osaka	Repair of outdoor facility	From May 2017 to March 2018	111	-	-
SS30	Sendai, Miyagi	Repair of toilets (1st period)	From August 2017 to November 2017	100	-	-
SS30	Sendai, Miyagi	Renewal of elevator (1st period)	From August 2017 to November 2017	179	-	-
SS30	Sendai, Miyagi	Extension work of electric capacitance	From August 2017 to November 2017	200	-	-
SS30	Sendai, Miyagi	Repair of toilets (2nd period)	From December 2017 to May 2018	100	-	-
SS30	Sendai, Miyagi	Renewal of elevator (2nd period)	From December 2017 to May 2018	344	-	-
Hotel JAL City Naha	Naha, Okinawa	Renewal of guest rooms and corridors	From December 2017 to April 2018	506	-	-
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Repair of banquet hall	From May 2017 to August 2017	330	-	-
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Extension work of guest rooms	From May 2017 to November 2017	234	-	-
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Renewal of parking facilities	From May 2018 to May 2018	138	-	-

2. Capital Expenditures Made during the Period

The table below sets out the amounts of United Urban's capital expenditures for the Investment Real Estate during the 27th fiscal period, which totaled ¥1,584 million. Together with ¥657 million of repair and maintenance costs recorded as expenses in the statement of income in the period, expenditure on engineering works totaled ¥2,242 million.

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
Joy Park Izumigaoka	Sakai, Osaka	Installation of people counter	From April 2017 to May 2017	15
Re-LAND Shopping Center	Funabashi, Chiba	Film waterproofing work of rooftop machine room	From April 2017 to May 2017	13
Mallage Kashiwa	Kashiwa, Chiba	Installation work for new tenant	From March 2017 to April 2017	13
Tenjin Loft Building	Fukuoka, Fukuoka	Renewal of toilets (in some floors)	From April 2017 to May 2017	14

Name of Properties	Location	Purpose	Period Implemented	Expenditure Amount (Millions of yen)
ACTIOLE Ueno	Taito-ku, Tokyo	Renewal of entrance	From March 2017 to April 2017	23
ACTIOLE Ueno	Taito-ku, Tokyo	Installation of external wall sign	From March 2017 to April 2017	28
KURURU	Fuchu, Tokyo	Replacement of photoelectric sensor of mechanical parking lot	From March 2017 to May 2017	27
SK Nagoya Building	Nagoya, Aichi	Renewal of gondola	From May 2017 to May 2017	10
Marumasu Kojimachi Building	Chiyoda-ku, Tokyo	Renewal of chiller unit for rooftop outside air conditioner	From May 2017 to May 2017	11
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of rooftop cooling tower	From November 2016 to April 2017	24
Kawasaki Toshiba Building	Kawasaki, Kanagawa	Renewal of air-conditioning facility (in some floors)	From January 2016 to December 2016	401
Pacific Marks Yokohama East	Yokohama, Kanagawa	Installation of smoking room for the entrance hall on the 1st floor	From December 2016 to March 2017	18
Pacific Marks Shin-Urayasu	Urayasu, Chiba	Installation of individual air conditioning system (in some floors)	From January 2017 to March 2017	93
Pacific Marks Shin-Urayasu	Urayasu, Chiba	Installation work of partition	From February 2017 to March 2017	12
Akasaka Hikawa Building	Minato-ku, Tokyo	Waterproofing renewal of rooftop and rooftop structure	From April 2017 to May 2017	12
Pacific Marks Higobashi	Osaka, Osaka	Waterproofing renewal of rooftop	From April 2017 to May 2017	13
Pacific Marks Higobashi	Osaka, Osaka	Renewal of total heat exchangers	From May 2017 to May 2017	17
Pacific Marks Esaka	Suita, Osaka	Renewal of sprinkler alarm valve on each floor	From February 2017 to March 2017	14
Pacific Marks Esaka	Suita, Osaka	Installation of individual air conditioning system (in some floors)	From April 2017 to May 2017	51
SS30	Sendai, Miyagi	Repair of electric system	From April 2017 to May 2017	15
Shinjuku Washington Hotel Honkan	Shinjuku-ku, Tokyo	Repair of elevator	From August 2016 to December 2016	69
UUR Yotsuya Sanchome Building	Shinjuku-ku, Tokyo	Renewal of automatic fire alarm facility	From April 2017 to May 2017	47
Loisir Hotel & Spa Tower Naha	Naha, Okinawa	Renewal of rooftop hot-and chilled-water generator (Main Building)	From August 2016 to March 2017	38
Urawa Royal Pines Hotel	Saitama, Saitama	Renewal of automatic fire alarm facility of disaster prevention center	From March 2017 to March 2017	24
Urawa Royal Pines Hotel	Saitama, Saitama	Renewal of telephone switchboard	From February 2017 to March 2017	16
Other capital expenditures				553
Total				1,584

3. Cash Reserved for Long-Term Repair and Maintenance Plan (Repair and Maintenance Reserve)

Based on the long-term repair and maintenance plan formulated for each of its properties, United Urban sets aside a repair and maintenance reserve out of cash flow during each fiscal period, as outlined below, for the purpose of large-scale repairs and maintenance for the medium to long term.

	Millions of yen				
	23rd Fiscal Period (December 1, 2014 - May 31, 2015)	24th Fiscal Period (June 1, 2015 - November 30, 2015)	25th Fiscal Period (December 1, 2015 - May 31, 2016)	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)
Reserve balance at the beginning of period	692	711	792	971	998
Addition to the reserve during the period (Note)	29	90	188	36	379
Reduction of reserve during the period	10	9	9	9	34
Reserve balance to be carried over to next period	711	792	971	998	1,343

Note: When United Urban assumes all or part of the reserve accumulated within the trust assets by the previous owners in connection with the sale and purchase of trust beneficial interests, the amount of the portion so assumed is stated as part of the addition to the reserve in the relevant period.

Expenses and Debt

1. Asset Management Expenses

	Thousands of yen	
	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)
Asset management fees (Note)	1,752,072	1,801,332
Asset custodian fees	18,285	18,587
Administrative agent fees	67,897	69,301
Directors' fees	10,200	10,200
Other expenses	251,631	202,798
Total	2,100,086	2,102,219

Note: In addition to the asset management fees stated above, there were asset management fees related to acquisition of properties, which was capitalized and included in acquisition cost of each property (26th fiscal period: ¥146,986 thousand, 27th fiscal period: ¥281,440 thousand) and asset management fees related to sale of properties which was deducted from gain or loss from sale of the Investment Real Estate (26th fiscal period: ¥35,360 thousand, 27th fiscal period: ¥32,800 thousand).

2. Borrowings

Borrowings from financial institutions as of May 31, 2017 were as follows:

		Drawdown Date	Balance at the beginning of the 27th FP (Millions of yen) (Note 1)	Balance at the end of the 27th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Lenders									
Long-term debt due for repayment within one year	Mitsubishi UFJ Trust and Banking Corporation	Dec. 20, 2011	2,000	-	0.480	Dec. 20, 2016	Bullet Payment	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	Dec. 26, 2011	500	-	0.480	Dec. 20, 2016		(Note 3)	
	The Norinchukin Bank		4,000	-					
	Sumitomo Mitsui Trust Bank, Limited	Mar. 30, 2012	1,500	-	0.480	Mar. 20, 2017		(Note 4)	
	Sumitomo Mitsui Banking Corporation		2,400	-					
	Sompo Japan Nipponkoa Insurance Inc.	Mar. 30, 2012	1,000	-	0.993	Mar. 20, 2017		(Note 4)	
	The Hiroshima Bank, Ltd.		500	-					
	Kansai Urban Banking Corporation		1,000	-					
	Mizuho Bank, Ltd.	Apr. 12, 2012	1,500	-	0.480	Mar. 20, 2017		(Note 5)	
	Mitsubishi UFJ Trust and Banking Corporation		1,500	-					
	Shinsei Bank, Limited		1,000	-					
	The Bank of Fukuoka, Ltd.		1,000	-					
	The 77 Bank, Ltd.		500	-					
	Shinsei Bank, Limited	May 18, 2012	1,000	-	0.922	Mar. 20, 2017		(Note 3)	
	Development Bank of Japan Inc.	Jul. 7, 2010	1,400	1,350	2.142	Jun. 20, 2017	(Note 6)	(Note 5)	
	Resona Bank, Limited	May 18, 2012	1,300	1,300	0.534 (Note 7)	Jun. 20, 2017	Bullet Payment	(Note 3)	
	The Gunma Bank, Ltd.	Jun. 20, 2012	900	900	0.534 (Note 7)	Jun. 20, 2017		(Note 4)	
The Bank of Yokohama, Ltd.	900		900						
The Tokyo Tomin Bank, Limited	500		500						
Sumitomo Mitsui Trust Bank, Limited	Jun. 20, 2012	2,500	2,500	0.484 (Note 7)	Jun. 20, 2017	(Note 4)			

		Drawdown Date	Balance at the beginning of the 27th FP (Millions of yen) (Note 1)	Balance at the end of the 27th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
	Lenders								
Long-term debt due for repayment within one year	Mizuho Bank, Ltd.	Nov. 22, 2012	2,400	2,400	0.434 (Note 7)	Jun. 20, 2017	Bullet Payment	(Note 3)	Unsecured Unguaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 20, 2012	4,400	4,400	0.740	Sep. 20, 2017		(Note 4)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Apr. 12, 2012	-	3,000	0.611 (Note 7)	Mar. 20, 2018		(Note 5)	
	Sumitomo Mitsui Banking Corporation	Aug. 29, 2012	-	2,200	0.511 (Note 7)	Mar. 20, 2018		(Note 3)	
	Mizuho Bank, Ltd.	Mar. 21, 2013	-	3,000	0.461 (Note 7)	Mar. 20, 2018		(Note 3)	
	Aozora Bank, Ltd.	Mar. 21, 2013	-	1,570	0.461 (Note 7)	Mar. 20, 2018		(Note 4)	
	The Norinchukin Bank		-	2,253					
	Aozora Bank, Ltd.	Mar. 20, 2014	-	1,700	0.559	Mar. 20, 2018		(Note 4)	
Subtotal			33,700	27,973					
Long-term debt	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Apr. 12, 2012	3,000	-	0.611 (Note 7)	Mar. 20, 2018	Bullet Payment	(Note 5)	Unsecured Unguaranteed
	Sumitomo Mitsui Banking Corporation	Aug. 29, 2012	2,200	-	0.511 (Note 7)	Mar. 20, 2018		(Note 3)	
	Mizuho Bank, Ltd.	Mar. 21, 2013	3,000	-	0.461 (Note 7)	Mar. 20, 2018		(Note 3)	
	Aozora Bank, Ltd.	Mar. 21, 2013	1,570	-	0.461 (Note 7)	Mar. 20, 2018		(Note 4)	
	The Norinchukin Bank		2,253	-					
	Aozora Bank, Ltd.	Mar. 20, 2014	1,700	-	0.559	Mar. 20, 2018		(Note 4)	
	Mitsubishi UFJ Trust and Banking Corporation	May 16, 2013	2,000	2,000	0.778 (Note 7)	Jun. 20, 2018		(Note 3)	
	The Shinkumi Federation Bank	Jun. 20, 2013	2,000	2,000	0.449 (Note 7)	Jun. 20, 2018		(Note 4)	
	The Bank of Fukuoka, Ltd.		500	500					
	Saitama Resona Bank, Limited		1,000	1,000					
	Mitsubishi UFJ Trust and Banking Corporation	Jun. 20, 2013	1,000	1,000	0.735 (Note 7)	Jun. 20, 2018		(Note 4)	
	ORIX Bank Corporation	Jun. 20, 2013	1,500	1,500	0.830	Jun. 20, 2018		(Note 4)	
	Development Bank of Japan Inc.	Sep. 27, 2011	2,800	2,800	1.464	Sep. 20, 2018		(Note 4)	
	THE NISHI-NIPPON CITY BANK, LTD.	Sep. 20, 2013	1,000	1,000	0.453 (Note 7)	Sep. 20, 2018		(Note 4)	
	The Nomura Trust and Banking Co., Ltd.		1,000	1,000					
	The Kagawa Bank, Ltd.		500	500					
	The Ashikaga Bank, Ltd.	Sep. 20, 2013	1,000	1,000	0.781	Sep. 20, 2018		(Note 4)	
	Shinkin Central Bank	Nov. 1, 2013	1,000	1,000	0.688	Sep. 20, 2018		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 15, 2013	3,500	3,500	0.524 (Note 7)	Mar. 20, 2019		(Note 3)	
	ORIX Bank Corporation	Nov. 1, 2013	1,000	1,000	0.753	Mar. 20, 2019		(Note 3)	
	The Norinchukin Bank	Feb. 28, 2014	1,600	1,600	0.620 (Note 7)	Mar. 20, 2019		(Note 3)	
	Resona Bank, Limited	Apr. 8, 2014	1,000	1,000	0.708	Mar. 20, 2019		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Jun. 20, 2012	4,500	4,500	0.693 (Note 7)	Jun. 20, 2019		(Note 4)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jun. 28, 2012	2,200	2,200	0.960	Jun. 20, 2019		(Note 3)	
	Aozora Bank, Ltd.	May 16, 2013	2,000	2,000	0.523 (Note 7)	Jun. 20, 2019		(Note 3)	
	Shinsei Bank, Limited	May 16, 2013	1,000	1,000	1.056	Jun. 20, 2019		(Note 3)	
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Oct. 2, 2014	1,000	1,000	0.511	Sep. 20, 2019		(Note 3)	

		Drawdown Date	Balance at the beginning of the 27th FP (Millions of yen) (Note 1)	Balance at the end of the 27th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
	Lenders								
Long-term debt	Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	4,000	4,000	0.555 (Note 7)	Sep. 20, 2019	Bullet Payment	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.		637	637					
	Aozora Bank, Ltd.		1,570	1,570					
	Aozora Bank, Ltd.	Aug. 29, 2014	1,200	1,200	0.593	Sep. 20, 2019		(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	Apr. 1, 2016	1,000	1,000	0.200	Mar. 23, 2020		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 15, 2013	4,000	4,000	0.800	Mar. 23, 2020		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 21, 2013	2,427	2,427	0.780	Mar. 23, 2020		(Note 4)	
	Sumitomo Mitsui Banking Corporation	Mar. 21, 2013	1,209	1,209	0.617 (Note 7)	Mar. 23, 2020		(Note 4)	
	Mitsubishi UFJ Trust and Banking Corporation		869	869					
	Resona Bank, Limited		339	339					
	Mitsubishi UFJ Trust and Banking Corporation	Mar. 20, 2014	1,300	1,300	0.640 (Note 7)	Mar. 23, 2020		(Note 4)	
	Development Bank of Japan Inc.	Jun. 20, 2012	900	900	1.370	Jun. 20, 2020		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	Jun. 20, 2013	1,000	1,000	0.631 (Note 7)	Jun. 20, 2020		(Note 4)	
	Sumitomo Mitsui Banking Corporation		1,650	1,650					
	Mizuho Bank, Ltd.		1,000	1,000					
	Aozora Bank, Ltd.		2,000	2,000					
	Mizuho Trust & Banking Co., Ltd.		500	500					
	The Daishi Bank, Ltd.	Jul. 8, 2015	1,000	1,000	0.550 (Note 7)	Jun. 22, 2020		(Note 5)	
	The 77 Bank, Ltd.	Jul. 8, 2015	500	500	0.527 (Note 7)	Sep. 23, 2020		(Note 5)	
	The Bank of Yokohama, Ltd.		500	500					
	The Tokyo Tomin Bank, Limited		500	500					
	The Kagawa Bank, Ltd.		500	500					
	The Bank of Fukuoka, Ltd.	Aug. 7, 2015	500	500	0.428 (Note 7)	Sep. 23, 2020		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 15, 2013	4,500	4,500	0.668 (Note 7)	Sep. 23, 2020		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 21, 2013	3,283	3,283	0.668 (Note 7)	Sep. 23, 2020		(Note 4)	
	Nippon Life Insurance Company	Sep. 20, 2013	1,000	1,000	1.000	Sep. 23, 2020		(Note 4)	
	Development Bank of Japan Inc.	Nov. 1, 2013	2,400	2,400	0.826	Sep. 23, 2020		(Note 3)	
	Shinsei Bank, Limited	Nov. 29, 2013	2,500	2,500	0.888	Sep. 23, 2020		(Note 3)	
	The Norinchukin Bank	Jul. 8, 2015	1,000	1,000	0.509 (Note 7)	Dec. 21, 2020		(Note 5)	
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Feb. 5, 2016	1,000	1,000	0.230 (Note 7)	Dec. 21, 2020		(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	Feb. 28, 2014	1,300	1,300	0.858	Dec. 21, 2020		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Feb. 5, 2016	1,000	1,000	0.217 (Note 7)	Mar. 22, 2021		(Note 3)	
	The Iyo Bank, Ltd.	Feb. 5, 2016	1,000	1,000	0.337	Mar. 22, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 20, 2014	5,800	5,800	0.850 (Note 7)	Mar. 22, 2021		(Note 4)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 20, 2014	1,400	1,400	0.830	Mar. 22, 2021		(Note 4)	
	Mizuho Bank, Ltd.	Mar. 20, 2014	1,400	1,400	0.841	Mar. 22, 2021		(Note 4)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 28, 2014	2,200	2,200	0.850	Mar. 22, 2021		(Note 3)	

	Lenders	Drawdown Date	Balance at the beginning of the 27th FP (Millions of yen) (Note 1)	Balance at the end of the 27th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt	Sumitomo Mitsui Trust Bank, Limited	Apr. 8, 2014	5,700	5,700	0.883	Mar. 22, 2021	Bullet Payment	(Note 3)	Unsecured Unguaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Aug. 29, 2014	1,900	1,900	0.690	Mar. 22, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Oct. 2, 2014	2,000	2,000	0.619 (Note 7)	Mar. 22, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 22, 2016	1,000	1,000	0.280	Jun. 21, 2021		(Note 4)	
	Sumitomo Mitsui Banking Corporation	Apr. 1, 2016	2,000	2,000	0.280	Jun. 21, 2021		(Note 3)	
	The Nomura Trust and Banking Co., Ltd.	Apr. 1, 2016	1,000	1,000	0.350	Jun. 21, 2021		(Note 3)	
	Mizuho Bank, Ltd.	May 1, 2014	1,700	1,700	0.737 (Note 7)	Jun. 21, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	May 1, 2014	1,000	1,000	0.872 (Note 7)	Jun. 21, 2021		(Note 3)	
	Mitsubishi UFJ Trust and Banking Corporation	May 1, 2014	1,000	1,000	0.770 (Note 7)	Jun. 21, 2021		(Note 3)	
	The Gunma Bank, Ltd.	Jul. 8, 2015	500	500	0.559 (Note 7)	Sep. 21, 2021		(Note 5)	
	The Norinchukin Bank	Apr. 1, 2016	1,500	1,500	0.280	Sep. 21, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Jun. 30, 2015	2,900	2,900	0.612 (Note 7)	Dec. 20, 2021		(Note 3)	
	Mitsubishi UFJ Trust and Banking Corporation	Aug. 29, 2014	3,000	3,000	0.670 (Note 7)	Dec. 20, 2021		(Note 3)	
	Sumitomo Mitsui Banking Corporation	Mar. 21, 2017	-	2,400	0.280	Mar. 22, 2022		(Note 4)	
	Sompo Japan Nipponkoa Insurance Inc.	Mar. 21, 2017	-	1,000	0.455	Mar. 22, 2022		(Note 4)	
	The Daishi Bank, Ltd.	Mar. 30, 2017	-	1,000	0.448	Mar. 22, 2022		(Note 3)	
	The Gunma Bank, Ltd.	Apr. 26, 2017	-	1,000	0.342	Mar. 22, 2022		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 20, 2014	2,600	2,600	1.030	Mar. 22, 2022		(Note 4)	
	Mizuho Bank, Ltd.	Oct. 2, 2014	3,000	3,000	0.661 (Note 7)	Mar. 22, 2022		(Note 3)	
	Mizuho Bank, Ltd.	Nov. 25, 2014	2,000	2,000	0.672 (Note 7)	Jun. 20, 2022		(Note 3)	
	Shinkin Central Bank	Jul. 8, 2015	1,000	1,000	0.728	Jun. 20, 2022		(Note 5)	
	Development Bank of Japan Inc.	Aug. 7, 2015	1,200	1,200	0.710	Jun. 20, 2022		(Note 3)	
	The Hiroshima Bank, Ltd.	Jul. 8, 2015	500	500	0.685 (Note 7)	Sep. 20, 2022		(Note 5)	
	Yamaguchi Bank, Ltd.	Jul. 8, 2015	1,000	1,000	0.885 (Note 7)	Sep. 20, 2022		(Note 5)	
	Nippon Life Insurance Company	Jul. 8, 2015	1,000	1,000	0.861	Sep. 20, 2022		(Note 5)	
	Shinsei Bank, Limited	Jul. 15, 2015	1,500	1,500	0.773	Sep. 20, 2022		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Oct. 2, 2014	2,800	2,800	0.814	Sep. 20, 2022		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Dec. 20, 2013	3,400	3,400	1.239	Dec. 20, 2022		(Note 4)	
	Sumitomo Mitsui Trust Bank, Limited	Nov. 25, 2014	6,500	6,500	0.842	Mar. 20, 2023		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	May 29, 2015	3,500	3,500	0.775	Mar. 20, 2023		(Note 4)	
	Resona Bank, Limited	Feb. 5, 2016	1,500	1,500	0.370 (Note 7)	Mar. 20, 2023		(Note 3)	
	Mizuho Bank, Ltd.	Mar. 22, 2016	2,000	2,000	0.452	Mar. 20, 2023		(Note 4)	
	Resona Bank, Limited	Mar. 22, 2016	1,000	1,000	0.330	Mar. 20, 2023		(Note 4)	
	Saitama Resona Bank, Limited	Apr. 1, 2016	2,000	2,000	0.490 (Note 7)	Mar. 20, 2023		(Note 3)	
	The Ashikaga Bank, Ltd.	Apr. 1, 2016	1,000	1,000	0.441	Mar. 20, 2023		(Note 3)	

	Lenders	Drawdown Date	Balance at the beginning of the 27th FP (Millions of yen) (Note 1)	Balance at the end of the 27th FP (Millions of yen) (Note 1)	Average Interest Rate (%) (Note 2)	Maturity Date	Repayment Method	Use	Remarks
Long-term debt	Mizuho Trust & Banking Co., Ltd.	Aug. 7, 2015	1,000	1,000	0.798	Jun. 20, 2023	Bullet Payment	(Note 3)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	Apr. 1, 2016	1,500	1,500	0.372	Jun. 20, 2023		(Note 3)	
	THE NISHI-NIPPON CITY BANK, LTD.	Apr. 1, 2016	1,000	1,000	0.380	Jun. 20, 2023		(Note 3)	
	Mizuho Bank, Ltd.	Jul. 15, 2015	1,300	1,300	0.749 (Note 7)	Sep. 20, 2023		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jul. 15, 2015	1,300	1,300	0.780	Sep. 20, 2023		(Note 3)	
	Mitsubishi UFJ Trust and Banking Corporation	Dec. 4, 2015	1,000	1,000	0.625 (Note 7)	Mar. 21, 2024		(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	Mar. 22, 2016	1,000	1,000	0.310	Mar. 21, 2024		(Note 4)	
	The Hiroshima Bank, Ltd.	Mar. 21, 2017	-	1,000	0.565	Mar. 21, 2024		(Note 4)	
	The 77 Bank, Ltd.	Mar. 30, 2017	-	1,500	0.380	Mar. 21, 2024		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Jul. 15, 2015	1,700	1,700	0.924	Jun. 20, 2024		(Note 3)	
	Mizuho Bank, Ltd.	Apr. 1, 2016	2,000	2,000	0.523	Jun. 20, 2024		(Note 3)	
	The Norinchukin Bank	Jan. 31, 2017	-	2,700	0.380	Jun. 20, 2024		(Note 3)	
	Resona Bank, Limited	Apr. 26, 2017	-	1,500	0.260	Jun. 20, 2024		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 4, 2015	1,000	1,000	0.680	Sep. 20, 2024		(Note 3)	
	Mizuho Bank, Ltd.	Dec. 4, 2015	1,000	1,000	0.633 (Note 7)	Sep. 20, 2024		(Note 3)	
	The Norinchukin Bank	Mar. 30, 2017	-	1,500	0.380	Sep. 20, 2024		(Note 3)	
	Development Bank of Japan Inc.	Apr. 26, 2017	-	1,500	0.428	Sep. 20, 2024		(Note 3)	
	The Bank of Fukuoka, Ltd.	Dec. 1, 2016	-	1,400	0.330	Dec. 20, 2024		(Note 3)	
	Meiji Yasuda Life Insurance Company	Feb. 5, 2016	1,000	1,000	0.687	Mar. 21, 2025		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Apr. 1, 2016	2,000	2,000	0.430	Mar. 21, 2025		(Note 3)	
	Mitsubishi UFJ Trust and Banking Corporation	Mar. 21, 2017	-	3,500	0.489	Mar. 21, 2025		(Note 4)	
	Shinsei Bank, Limited	Mar. 21, 2017	-	2,000	0.639	Mar. 21, 2025		(Note 4)	
	The Bank of Fukuoka, Ltd.	Mar. 21, 2017	-	1,000	0.489	Mar. 21, 2025		(Note 4)	
	Shinkin Central Bank	Mar. 30, 2017	-	1,000	0.624	Mar. 21, 2025		(Note 3)	
	The Bank of Kyoto, Ltd.	Mar. 30, 2017	-	1,000	0.524	Mar. 21, 2025		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Apr. 1, 2016	3,000	3,000	0.370	Sep. 22, 2025		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Feb. 5, 2016	2,000	2,000	0.627	Dec. 22, 2025		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 30, 2017	-	2,000	0.460	Mar. 23, 2026		(Note 3)	
	Mizuho Bank, Ltd.	Mar. 30, 2017	-	4,500	0.569	Mar. 23, 2026		(Note 3)	
	Mizuho Bank, Ltd.	Apr. 26, 2017	-	2,400	0.544	Jun. 22, 2026		(Note 3)	
	Meiji Yasuda Life Insurance Company	Mar. 30, 2017	-	1,000	0.756	Mar. 23, 2027		(Note 3)	
	Taiyo Life Insurance Company	Mar. 30, 2017	-	1,000	0.656	Mar. 23, 2027		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Mar. 30, 2017	-	2,500	0.340	Jun. 21, 2027		(Note 3)	
	Sumitomo Mitsui Trust Bank, Limited	Apr. 26, 2017	-	2,500	0.370	Dec. 20, 2027		(Note 3)	
Subtotal			190,207	217,384					
Total			223,907	245,357					

Notes: 1. Amounts in balance at the beginning and end of the fiscal period are stated after being rounded down to the units stated. Therefore, the sum may not equal to the total due to rounding.

2. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of a borrowing, and is rounded to the nearest third decimal places. The figures do not include fees related to these borrowings that have been paid to the lenders listed in the table.
3. The funds are used for acquisition of real estate or trust beneficial interest in real estate and expenses related to the acquisition.
4. The funds are used for repayment of borrowings.
5. The funds are used for redemption of corporate bonds.
6. From December 20, 2010 as the first repayment date, ¥50 million had been repaid every six months and ¥1,350 million was repaid on the final repayment date (June 20, 2017).
7. It is a borrowing with floating interest rate applying the Japanese Bankers Association (JBA) one month JPY TIBOR, three months JPY TIBOR or the one month Euroyen LIBOR as a basic interest rate. However, the interest rate for this borrowing is, in effect, fixed due to the execution of an interest rate swap agreement. The adjusted interest rate in consideration of swap transactions is stated.

3. Corporate Bonds

Corporate Bonds as of May 31, 2017 were as follows:

Name	Issue Date	Balance at the beginning of the 27th FP (Millions of yen)	Balance at the end of the 27th FP (Millions of yen)	Interest Rate (%)	Maturity Date	Redemption Method	Use	Remarks
Series 6 of Unsecured Corporate Bonds	Dec. 9, 2011	3,000	-	1.120	Dec. 9, 2016	Bullet payment	(Note 1)	Unsecured (Note 3)
Series 7 of Unsecured Corporate Bonds	Jul. 5, 2012	6,500	6,500	0.950	Jul. 5, 2017	Bullet payment	(Note 1)	Unsecured (Note 3)
Series 9 of Unsecured Corporate Bonds	Dec. 19, 2012	10,000	-	0.620	Dec. 19, 2016	Bullet payment	(Note 1)	Unsecured (Note 3)
Series 10 of Unsecured Corporate Bonds	Dec. 12, 2012	4,000	4,000	0.690	Dec. 12, 2017	Bullet payment	(Note 1)	Unsecured (Note 3)
Series 11 of Unsecured Corporate Bonds	May 30, 2013	8,000	8,000	0.690	May 30, 2018	Bullet payment	(Note 2)	Unsecured (Note 3)
Series 12 of Unsecured Corporate Bonds	May 30, 2013	2,000	2,000	0.690	May 30, 2018	Bullet payment	(Note 2)	Unsecured (Note 3)
Series 13 of Unsecured Corporate Bonds	Nov. 20, 2013	13,000	13,000	0.470	Nov. 20, 2018	Bullet payment	(Note 2)	Unsecured (Note 3)
Series 14 of Unsecured Corporate Bonds	Nov. 20, 2013	2,000	2,000	0.470	Nov. 20, 2018	Bullet payment	(Note 2)	Unsecured (Note 3)
Series 15 of Unsecured Corporate Bonds	Oct. 30, 2014	3,000	3,000	0.525	Oct. 29, 2021	Bullet payment	(Note 1)	Unsecured (Note 3)
Series 16 of Unsecured Corporate Bonds	May 29, 2015	2,000	2,000	0.804	May 29, 2025	Bullet payment	(Note 2)	Unsecured (Note 3)
Total		53,500	40,500					

- Notes: 1. The funds are used for repayment of the existing borrowings.
2. The funds are used for redemption of corporate bonds.
3. Ranking pari passu among corporate bonds

4. Short-term Corporate Bonds

Not Applicable

5. Subscription Rights of New Investment Units

Not Applicable

Trading Activities during the Period

1. Trading of Real Estate and Real Estate-Backed Securities, and Infrastructure Assets and Infrastructure Related Assets

Type of Asset	Name of Properties	Acquisition		Transfer			
		Acquisition date	Acquisition price (Millions of yen) (Note 1)	Date of transfer	Sale price (Millions of yen) (Note 1)	Book value (Millions of yen)	Gain or loss on sale (Millions of yen)
Trust beneficial interest in real estate	K's Denki Nagoya-kita	Dec. 1, 2016	1,750	-	-	-	-
Trust beneficial interest in real estate	Scent Hills	Dec. 1, 2016	1,300	-	-	-	-
Real estate	the adjacent site to the b roppongi (land) (Note 2)	Jan. 13, 2017	140	-	-	-	-
Trust beneficial interest in real estate	Shin-Narashino Logistics Center II	Jan. 31, 2017	2,590	-	-	-	-
Trust beneficial interest in real estate	SS30	Mar. 30, 2017	18,200	-	-	-	-
Trust beneficial interest in real estate	LOOP-X・M	Apr. 26, 2017	11,200	-	-	-	-
Trust beneficial interest in real estate	Pacific Marks Shin-Urayasu	-	-	May 24, 2017	4,100	3,863	63
Total		-	35,180	-	4,100	3,863	63

Notes: 1. The "Acquisition price" and "Sale price" does not include consumption taxes and expenses necessary for making the relevant acquisition and transfer.

2. United Urban acquired the building with leasehold of the Adjacent Site on November 18, 2016 and the land of the Adjacent Site on January 13, 2017, respectively.

2. Trading of Other Assets

Major assets other than the transactions stated in "1. Trading of Real Estate and Real Estate-Backed Securities, and Infrastructure Assets and Infrastructure Related Assets" are generally bank deposits and bank deposits in trust.

3. Research for Specified Assets

a. Real Estates (Note 1)

Acquisition or Sale	Type of Asset	Name of Properties	Transaction Date	Acquisition Price or Sale Price (Millions of yen) (Note 2)	Appraisal Value (Millions of yen)	Date of Valuation	Real Estate Appraisal Organization
Acquisition	Trust beneficial interest in real estate	K's Denki Nagoya-kita	Dec. 1, 2016	1,750	1,830	Jun. 30, 2016	The Tanizawa Sōgō Appraisal Co., Ltd.
	Trust beneficial interest in real estate	Scent Hills	Dec. 1, 2016	1,300	1,400	Jul. 1, 2016	The Tanizawa Sōgō Appraisal Co., Ltd.
	Real estate	the adjacent site to the b roppongi (land)	Jan. 13, 2017	140	144 (Note 1)	Nov. 30, 2016	Japan Real Estate Institute
	Trust beneficial interest in real estate	Shin-Narashino Logistics Center II	Jan. 31, 2017	2,590	2,600	Oct. 1, 2016	Japan Real Estate Institute
	Trust beneficial interest in real estate	SS30	Mar. 30, 2017	18,200	18,400	Jan. 1, 2017	Japan Real Estate Institute
	Trust beneficial interest in real estate	LOOP-X・M	Apr. 26, 2017	11,200	11,600	Mar. 1, 2017	Japan Real Estate Institute
Sale	Trust beneficial interest in real estate	Pacific Marks Shin-Urayasu	May 24, 2017	4,100	3,390	May 1, 2017	Japan Real Estate Institute

- Notes: 1. As for transactions that require appraisal values of real estate, etc, regarding specified assets pursuant to Article 201, Paragraph 1 of the Investment Trust Act, the appraisal was conducted by real estate appraisal organizations based on the Japanese Real Estate Appraisal Standard Section 3, "Appraisal concerning prices of real estate for securitization", and United Urban has received the results. In addition, as for the adjacent site to the b roppongi (acquisition price ¥460 million (of which, land: ¥140 million, building with leasehold: ¥320 million), United Urban has obtained the appraisal of the land when the land is cleared (appraisal value: ¥469 million) (the "Appraisal of Vacant Land"). Moreover, in addition to the Appraisal of Vacant Land, price surveys for the land and the building with leasehold have been conducted by the same methods as appraisals conducted by real estate appraisers. The survey value of the land based on the abovementioned price survey is stated in the above table.
2. The "Acquisition Price or Sale Price" does not include consumption taxes and expenses necessary for making the relevant acquisition or sale.

b. Others

Not Applicable

4. Trading with Related Parties

a. Status of Transactions

There were no purchase and sale transactions concerning the specified assets with Related Parties.

b. Amount of Commissions

Category	Total Commissions Paid (A) (Thousands of yen)	Description of Transactions with Related Parties		(B) / (A) (%)
		Payee	Amount paid (B) (Thousands of yen)	
Property Management Fees	1,545,377	Marubeni Real Estate Management Co., Ltd.	498,661	32.3
Casualty Insurance	28,250	Marubeni Safenet Co., Ltd.	27,464	97.2
Construction Management Fees	36,749	Marubeni Real Estate Management Co., Ltd.	20,136	54.8
Other Rental Expenses	92,161	Marubeni Real Estate Management Co., Ltd.	593	0.6

- Notes: 1. "Related Parties" means the related parties of the asset management company that United Urban has concluded asset management agreement with, as stipulated in Article 201, Paragraph 1 of the Investment Trust Act and Article 26, Item 27 of the Regulation for Asset Management Reports Concerning Investment Trusts and Investment Corporation by The Investment Trusts Association, Japan. Among Related Parties, the companies have conducted business or have received payment of commissions during the 27th fiscal period are stated above.
2. In addition to the transactions above, the amount of repair expense paid to Related Parties during the period under review was as set for below.
- Marubeni Real Estate Management Co., Ltd.: ¥39,062 thousand

5. Status of Transactions with the Asset Management Company regarding Concurrent Business Conducted by the Asset Management Company

The Asset Management Company of United Urban does not concurrently conduct any other business, and there are no relevant transactions.

Accounting Status

1. Status of Assets, Liabilities, Principal, and Profit and Loss

Please refer to the accompanying financial statements.

2. Changes in Calculation Method of Depreciation

Not Applicable

3. Changes in Evaluation Method of Real Estate, etc. and Infrastructure Assets

Not Applicable

4. Status of Investment Trust Beneficiary Certificates Established by United Urban

The status of investment units of United Urban held by Japan REIT Advisors Co., Ltd. ("JRA"), its asset management company, were as follows:

a. Status of Acquisitions

Acquisition Date	Number of Investment Units of Acquisition (Unit)	Number of Investment Units of Disposition (Unit)	Number of Investment Units Held (Unit)	Remarks
November 4, 2003	13	-	13	(Note 1)
December 20, 2003	187	-	200	(Note 2)
June 24, 2008	200	-	400	(Note 3)
December 1, 2010	2,000	-	2,400	(Note 4)
December 1, 2010	1	-	2,401	(Note 5)
June 8, 2011	2,500	-	4,901	(Note 6)
Accumulated Total	4,901	-	4,901	

Notes: 1. JRA acquired investment units at the price of ¥500,000 per unit when United Urban was founded.
2. JRA acquired investment units at the price of ¥480,000 per unit when United Urban issued new investment units through the public offering.
3. JRA acquired investment units at the price of ¥461,580 per unit when United Urban issued new investment units through the public offering.
4. One investment unit was split into six units.
5. Due to the absorption-type merger with NCI, one United Urban unit after the split of unit was allocated per one NCI units owned by JRA.
6. JRA acquired investment units at the price of ¥91,162 per unit when United Urban issued new investment units through the public offering.

b. Status of Investment Units Held (fiscal periods in recent five years including the end of the 27th fiscal period)

	Number of Investment Units at the End of the Period (Unit)	Total Value of Investment Units Held at the End of the Period (Thousands of Yen) (Note)	(Reference) Investment Unit Price at the End of the Period (Yen)	Ratio of Number of Investment Units Held to Investment Units Issued and Outstanding (%)	(Reference) Total Number of Investment Units Issued and Outstanding at the End of the Period (Unit)
18th Fiscal Period (From Jun. 1, 2012 to Nov. 30, 2012)	4,901	458,243	93,500	0.23	2,103,383
19th Fiscal Period (From Dec. 1, 2012 to May 31, 2013)	4,901	639,090	130,400	0.21	2,305,447
20th Fiscal Period (From Jun. 1, 2013 to Nov. 30, 2013)	4,901	719,956	146,900	0.21	2,380,181

	Number of Investment Units at the End of the Period (Unit)	Total Value of Investment Units Held at the End of the Period (Thousands of Yen) (Note)	(Reference) Investment Unit Price at the End of the Period (Yen)	Ratio of Number of Investment Units Held to Investment Units Issued and Outstanding (%)	(Reference) Total Number of Investment Units Issued and Outstanding at the End of the Period (Unit)
21st Fiscal Period (From Dec. 1, 2013 to May 31, 2014)	4,901	798,372	162,900	0.21	2,380,181
22nd Fiscal Period (From Jun. 1, 2014 to Nov. 30, 2014)	4,901	934,620	190,700	0.20	2,512,246
23rd Fiscal Period (From Dec. 1, 2014 to May 31, 2015)	4,901	912,076	186,100	0.19	2,644,311
24th Fiscal Period (From Jun. 1, 2015 to Nov. 30, 2015)	4,901	803,764	164,000	0.18	2,751,376
25th Fiscal Period (From Dec. 1, 2015 to May 31, 2016)	4,901	857,675	175,000	0.18	2,751,376
26th Fiscal Period (From Jun. 1, 2016 to Nov. 30, 2016)	4,901	854,734	174,400	0.17	2,953,022
27th Fiscal Period (From Dec. 1, 2016 to May 31, 2017)	4,901	798,863	163,000	0.16	3,055,087

Note: It is calculated by multiplying number of investment units at the end of the period by investment unit price at the end of the period.

Others

1. Notifications

United Urban Board of Directors

The conclusions and modifications of major agreements approved by the Board of Directors of United Urban during the 27th fiscal period were as follows:

Conclusion of subscription agreements for new investment units	On December 7, 2016, United Urban resolved to conclude the subscription agreements for new investment units with SMBC Nikko Securities Inc. and Mizuho Securities Co., Ltd. as underwriter.
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2. Disclosure Relating to Companies Owning Overseas Real Estate

Not Applicable

3. Disclosure Relating to Real Estate Owned by Companies Owning Overseas Real Estate

Not Applicable

◆ FINANCIAL SECTION

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BALANCE SHEET

	Thousands of yen	
	End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
ASSETS		
CURRENT ASSETS:		
Cash and bank deposits	¥ 64,681,393	¥ 61,493,507
Rent receivables	477,850	575,557
Other current assets	383,173	724,112
Total current assets	65,542,417	62,793,176
PROPERTY AND EQUIPMENT, AT COST:		
Land	370,682,451	395,054,772
Buildings and structures	249,813,617	259,464,940
Machinery and equipment	2,328,620	2,470,042
Tools, furniture and fixtures	691,833	735,538
Construction in progress	439,530	95,654
Subtotal	623,956,054	657,820,949
Less accumulated depreciation	(52,897,418)	(56,329,103)
Net property and equipment	571,058,636	601,491,846
INVESTMENTS AND OTHER ASSETS:		
Software	40,516	42,283
Leasehold	9,320,707	9,320,707
Other intangible assets	192,443	185,779
Investment securities	93,905	93,905
Security deposits paid	90,432	90,222
Long-term prepaid expenses	1,766,210	1,867,998
Total investments and other assets	11,504,215	11,600,897
TOTAL ASSETS	¥ 648,105,270	¥ 675,885,920

	Thousands of yen	
	End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
LIABILITIES		
CURRENT LIABILITIES:		
Trade accounts payable	¥ 2,129,360	¥ 1,739,896
Current portion of corporate bonds	19,500,000	20,500,000
Long-term debt due for repayment within one year	33,700,000	27,973,000
Accrued expenses	410,407	327,212
Consumption taxes payable	185,435	202,414
Rent received in advance	3,309,481	3,673,219
Derivatives liabilities	5,262	14,403
Other current liabilities	240,703	164,316
Total current liabilities	59,480,650	54,594,463
LONG-TERM LIABILITIES:		
Corporate bonds	34,000,000	20,000,000
Long-term debt	190,207,000	217,384,000
Leasehold and security deposits received	30,610,925	31,919,284
Derivatives liabilities	214,269	186,949
Total long-term liabilities	255,032,194	269,490,233
Total liabilities	314,512,844	324,084,697
NET ASSETS		
UNITHOLDERS' EQUITY:		
Unitholders' Capital	292,411,850	309,205,625
Units authorized: 10,000,000 units as of November 30, 2016 and May 31, 2017		
Units issued and outstanding: 2,953,022 units as of November 30, 2016 and 3,055,087 units as of May 31, 2017		
Capital surplus	23,548,287	23,548,287
Reserve for distribution	7,546,388	-
Reserve for temporary difference adjustments	-	7,546,388
Reserve retained for distribution	956,862	1,416,835
Unappropriated retained earnings	9,348,568	10,285,440
VALUATION AND TRANSLATION ADJUSTMENTS:		
Deferred gains or losses on hedges	(219,531)	(201,353)
Total net assets	333,592,425	351,801,223
TOTAL LIABILITIES AND NET ASSETS	¥ 648,105,270	¥ 675,885,920

The accompanying notes to financial statements are an integral part of these statements.

STATEMENT OF INCOME AND RETAINED EARNINGS

	Thousands of yen	
	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)
OPERATING REVENUES		
Rental revenues	¥ 20,046,270	¥ 21,592,214
Other rental revenues	1,455,647	1,327,053
Gain on sales of real estate properties	1,363,047	63,084
	22,864,965	22,982,353
OPERATING EXPENSES		
Property-related expenses	9,706,927	9,382,608
Asset management fees	1,752,072	1,801,332
Administrative service fees	86,182	87,888
Other operating expenses	261,831	212,998
	11,807,014	11,484,827
OPERATING INCOME	11,057,950	11,497,526
NON-OPERATING REVENUES		
Interest income	379	614
Reversal of cash distributions payable	3,103	2,387
Insurance income	1,035	612
Subsidy income	-	2,398
Interest on refund	498	-
Compensation income	-	31,781
Other non-operating revenues	2,300	940
	7,317	38,734
NON-OPERATING EXPENSES		
Interest expense	1,051,639	1,035,868
Interest expense on corporate bonds	192,159	134,833
Investment unit issuance expenses	103,867	21,767
Loss on disposal of real estate	349,808	52,310
Other non-operating expenses	18,619	5,436
	1,716,094	1,250,215
ORDINARY INCOME	9,349,173	10,286,045
INCOME BEFORE INCOME TAXES	9,349,173	10,286,045
INCOME TAXES		
Current	605	605
	605	605
NET INCOME	9,348,568	10,285,440
RETAINED EARNINGS BROUGHT FORWARD	-	-
UNAPPROPRIATED RETAINED EARNINGS AT END OF PERIOD	¥ 9,348,568	¥ 10,285,440

The accompanying notes to financial statements are an integral part of these statements.

STATEMENT OF CHANGES IN UNITHOLDERS' EQUITY

Thousands of yen							
	Number of Units	Unitholders' Capital	Unitholders' Equity				
			Capital Surplus	Surplus			
				Voluntary Retained Earnings			Total Voluntary Retained Earnings
				Reserve for Distribution	Reserve for Temporary Difference Adjustments	Reserve Retained for Distribution	
BALANCE AS OF MAY 31, 2016	2,751,376	¥258,160,260	¥ 23,548,287	¥7,546,388	-	¥121,898	¥7,668,286
Issuance of new investment units	201,646	34,251,589	-	-	-	-	-
Provision of reserve retained for distribution	-	-	-	-	-	834,964	834,964
Cash distributions disbursed	-	-	-	-	-	-	-
Net income	-	-	-	-	-	-	-
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-
BALANCE AS OF NOVEMBER 30, 2016	2,953,022	¥292,411,850	¥ 23,548,287	¥7,546,388	-	¥ 956,862	¥8,503,250
Issuance of new investment units	102,065	16,793,775	-	-	-	-	-
Reversal of reserve for distribution	-	-	-	(7,546,388)	-	-	(7,546,388)
Provision of reserve for temporary difference adjustments	-	-	-	-	¥ 7,546,388	-	7,546,388
Provision of reserve retained for distribution	-	-	-	-	-	459,972	459,972
Cash distributions disbursed	-	-	-	-	-	-	-
Net income	-	-	-	-	-	-	-
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-
BALANCE AS OF MAY 31, 2017	3,055,087	¥309,205,625	¥ 23,548,287	-	¥ 7,546,388	¥ 1,416,835	¥8,963,223

	Thousands of yen					
	Unitholders' Equity			Valuation and Translation Adjustments		
	Surplus		Total Unitholders' Equity	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustments	Net Assets
	Unappropriated Retained Earnings	Total Surplus				
BALANCE AS OF MAY 31, 2016	¥9,089,092	¥40,305,666	¥298,465,926	¥(456,015)	¥(456,015)	¥298,009,911
Issuance of new investment units	-	-	34,251,589	-	-	34,251,589
Provision of reserve retained for distribution	(834,964)	-	-	-	-	-
Cash distributions disbursed	(8,254,128)	(8,254,128)	(8,254,128)	-	-	(8,254,128)
Net income	9,348,568	9,348,568	9,348,568	-	-	9,348,568
Net changes of items other than unitholders' equity	-	-	-	236,484	236,484	236,484
BALANCE AS OF NOVEMBER 30, 2016	¥ 9,348,568	¥41,400,106	¥333,811,956	¥(219,531)	¥(219,531)	¥333,592,425
Issuance of new investment units	-	-	16,793,775	-	-	16,793,775
Reversal of reserve for distribution	-	(7,546,388)	(7,546,388)	-	-	(7,546,388)
Provision of reserve for temporary difference adjustments	-	7,546,388	7,546,388	-	-	7,546,388
Provision of reserve retained for distribution	(459,972)	-	-	-	-	-
Cash distributions disbursed	(8,888,596)	(8,888,596)	(8,888,596)	-	-	(8,888,596)
Net income	10,285,440	10,285,440	10,285,440	-	-	10,285,440
Net changes of items other than unitholders' equity	-	-	-	18,178	18,178	18,178
BALANCE AS OF MAY 31, 2017	¥10,285,440	¥42,796,951	¥352,002,576	¥(201,353)	¥(201,353)	¥351,801,223

The accompanying notes to financial statements are an integral part of these statements.

STATEMENT OF CASH FLOWS

	Thousands of yen	
	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	¥ 9,349,173	¥ 10,286,045
Depreciation and amortization	3,884,710	3,991,339
Gain on sales of real estate properties	(1,363,047)	(63,084)
Interest income and interest on securities	(379)	(614)
Interest expense and interest expense on corporate bonds	1,243,798	1,170,701
Investment unit issuance expenses	103,867	21,767
Loss on disposal of real estate	349,808	52,310
Increase in rent receivables	(42,546)	(97,706)
Decrease in consumption taxes refundable	458,901	-
Decrease (increase) in prepaid expenses	465,379	(513,086)
Decrease in long-term prepaid expenses	24,195	18,428
Increase (decrease) in trade accounts payable	610,455	(198,345)
Decrease in accrued expenses	(114,764)	(51,609)
Increase in consumption taxes payable	203,237	23,197
Increase in rent received in advance	241,117	356,086
Other, net	(221,489)	160,881
Subtotal	15,192,418	15,156,311
Interest received	379	614
Interest paid	(1,035,676)	(1,314,194)
Income taxes paid	(249)	(640)
Net cash provided by operating activities	14,156,872	13,842,090
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of property and equipment	4,151,061	3,769,573
Purchase of property and equipment	(26,209,130)	(38,661,828)
Purchase of intangible assets	(10,538)	(5,128)
Purchase of investment securities	(18,995)	(158)
Proceeds from collection of leasehold and security deposits	-	210
Payments for leasehold and security deposits	(40)	-
Proceeds from leasehold and security deposits received	1,130,920	2,167,961
Payments for leasehold and security deposits received	(1,065,712)	(634,810)
Net cash used in investing activities	(22,022,435)	(33,364,181)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	-	40,900,000
Repayment of long-term debt	(5,750,000)	(19,450,000)
Repayment of corporate bonds	(10,000,000)	(13,000,000)
Proceeds from issuance of investment units	34,164,755	16,772,007
Distributions to unitholders	(8,253,200)	(8,887,803)
Net cash provided by financing activities	10,161,555	16,334,204
NET CHANGES IN CASH AND CASH EQUIVALENTS	2,295,991	(3,187,886)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	62,385,401	64,681,393
CASH AND CASH EQUIVALENTS AT END OF PERIOD	¥ 64,681,393	¥ 61,493,507

The accompanying notes to financial statements are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

United Urban Investment Corporation ("United Urban") is a real estate investment corporation formed to own and invest in retail properties, office buildings, hotels, residential properties, and other properties in Japan. United Urban is externally managed by a registered asset management company, Japan REIT Advisors Co., Ltd. ("JRA"). JRA is currently owned 95% by Marubeni Corporation ("Marubeni") and 5% by Kyokuto Securities Co., Ltd. ("Kyokuto").

United Urban was founded on November 4, 2003, with an initial capitalization of ¥125 million, under the Act on Investment Trusts and Investment Corporations of Japan (the "Investment Trust Act"). Trinity Investment Trust L.L.C., Marubeni, Credit Suisse Principal Investment Limited, Tokyo Branch, Kyokuto, Yamato Life Insurance Co., and JRA initially established United Urban. On December 20, 2003, United Urban raised ¥36,633 million through an initial public offering of investment units, and on December 22, 2003, United Urban was listed on the J-REIT section of the Tokyo Stock Exchange.

On May 10, 2010, United Urban entered into a merger agreement ("Merger Agreement") with Nippon Commercial Investment Corporation ("NCI"). The Merger was effective December 1, 2010, and United Urban became one of the largest J-REITs in terms of asset size.

As of May 31, 2017, the end of its 27th fiscal period, United Urban had ownership of, or beneficial interests in, 36 retail properties, 35 office buildings, 13 hotels, 25 residential properties, 1 property which consisted of retail properties and an office building, 2 properties which consisted of an office building and a hotel, and 11 other properties. United Urban invests primarily in real estate and trust beneficial interest in real estate. All assets and liabilities within trust are recorded in the relevant balance sheet and income statement account.

Basis of Presentation of Financial Statements

The accompanying financial statements of United Urban are prepared on the basis of generally accepted accounting principles in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are translations of the audited financial statements of United Urban, prepared in accordance with Japanese GAAP and presented in the Securities Report of United Urban filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, the notes to the financial statements include information which might not be required under Japanese GAAP but is presented herein as additional information. The amounts have been rounded down to the nearest thousand yen in the accompanying financial statements and the notes thereto. As a result, the totals shown in the accompanying financial statements and the notes thereto do not necessarily agree with the sums of the individual amounts.

United Urban's six-month fiscal periods end either at the end of May or November. United Urban's 27th fiscal period began on December 1, 2016 and ended on May 31, 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Securities

Other securities without market value are stated using the moving average cost method.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. The cost of land, buildings and structures includes the purchase prices of property, legal fees and other acquisition costs. Depreciation of property and equipment is calculated on a straight-line basis over the estimated useful lives of the respective assets which are summarized as follows:

	End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
Buildings and structures	2 - 70 years	2 - 70 years
Machinery and equipment	2 - 17 years	2 - 24 years
Tools, furniture and fixtures	3 - 15 years	3 - 15 years

Expenditures for repairs and maintenance are charged to operating expenses as incurred. Significant renewals and betterments are capitalized.

Intangible Assets

Amortization of intangible assets is calculated on a straight-line basis. In addition, amortization of the software for internal use is calculated using an estimated useful life of 5 years.

Long-term Prepaid Expenses

Amortization of long-term prepaid expenses is calculated on a straight-line basis.

Investment Unit Issuance Expenses

Investment unit issuance expenses are expensed at once at the time of payment.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash held in trust, deposits and deposits in trust which can be withdrawn at any time, and short-term investments which are readily convertible to cash with only an insignificant risk of any price fluctuation and with original maturities of three months or less.

Revenue Recognition

United Urban operates retail properties, office buildings, hotels, residential properties, and other properties which are rented to tenants. Revenues from these leases are recognized on an accrual basis over the life of each lease. Rental revenues include rent received, the recovery of utility charges and certain other income.

Taxes on Property and Equipment

United Urban allocated the respective portion of property taxes and city planning taxes to the current period and charged this to property-related expenses.

In general, registered owners of properties in Japan as of January 1 are responsible for paying property taxes and city planning taxes for the calendar year based on assessments made by local governments. Consequently, registered owners who sold their properties to United Urban were liable for the property taxes and city planning taxes for the calendar year, including the period from the date of purchase by United Urban through the end of the year. United Urban paid an amount equivalent to the property taxes and city planning taxes applicable to the period commencing from the date of purchase of the respective properties by United Urban through the end of the year, and included this as a capitalized cost in the purchase price of each property. There were ¥44,245 thousand and ¥262,742 thousand of such property taxes and city planning taxes capitalized for the fiscal periods ended November 30, 2016 and May 31, 2017, respectively.

Hedge Accounting

United Urban conducts a derivative transaction in order to hedge risks defined in the Articles of Incorporation based on its financial policy. Derivative transactions (interest rate cap transactions and interest rate swap transactions) are utilized as hedging instrument for the purpose of avoiding interest-rate risks relating to debts. In addition, the effectiveness of hedging is evaluated by comparing the

cumulative changes in the market rates or cumulative changes in the cash flows of the hedged items with the cumulative changes in the market rates or cumulative changes in the cash flows of hedging instruments, and examining the ratio of the amount of change in both. However, the evaluation of the hedge effectiveness is omitted when the interest rate swap transactions meet the specific criteria for special accounting treatment.

Accounting Treatment for Beneficial Interests in Entrusted Assets Including Real Estate

For trust beneficial interests in real estate, all assets and liabilities concerning assets held in trust as well as all income generated from, and expenses incurred on, assets held in trust are recorded in the relevant balance sheet and income statement accounts.

Income Taxes

Deferred income taxes are recognized by the asset and liability method. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial and tax reporting of the assets and liabilities, and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

Consumption Taxes

Consumption taxes withheld and paid are not included in the accompanying statement of income and retained earnings. The consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over the amounts withheld is included in current assets as "Consumption taxes refundable" and the excess of the amounts withheld over the amounts paid is included in current liabilities as "Consumption taxes payable."

Certain consumption tax payments relating to purchases of property and equipment are not deductible from consumption taxes withheld. Such consumption tax payments are capitalized and included in the respective acquisition costs of the property and equipment.

Reclassifications

Certain reclassifications have been made to the prior period's financial statements to conform these to the presentation used for the fiscal period ended May 31, 2017.

3. PLEDGED ASSETS AND SECURED DEBT

At November 30, 2016 and May 31, 2017, the following assets were pledged as collateral for the following debt:

Pledged Assets

	Thousands of yen	
	End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
Land	¥ 4,204,726	¥ 4,204,726
Buildings and structures	3,743,389	3,688,710
Tools, furniture and fixtures	3,102	2,813
Total	¥ 7,951,218	¥ 7,896,249

Debt Secured by Pledged Assets

	Thousands of yen	
	End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
Leasehold and security deposits received	¥ 1,127,880	¥ 1,020,613
Total	¥ 1,127,880	¥ 1,020,613

4. LINE-OF-CREDIT AGREEMENT

United Urban concluded the following line-of-credit agreement with a financial institution:

	Thousands of yen	
	End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
Total amount of commitment	¥ 36,000,000	¥ 36,000,000
Outstanding borrowings at end of fiscal period	-	-
Amount unutilized at end of fiscal period	¥ 36,000,000	¥ 36,000,000

5. REDUCTION ENTRY OF PROPERTY AND EQUIPMENT ACQUIRED THROUGH STATE SUBSIDY

	Thousands of yen	
	End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
Buildings in trust	-	¥ 124,062

6. MATTERS RELATED TO PROVISION AND REVERSAL OF RESERVE FOR TEMPORARY DIFFERENCE ADJUSTMENTS

End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
—	Reserve for distribution (Note)
	(Thousands of yen)
	Initial amount : 7,546,388
	Balance at beginning of period : -
	Addition to the reserve during the period : 7,546,388
	Reversal during the period : -
	Balance at end of period : 7,546,388
	Reasons for provision and reversal :
	Application of transitional measures stipulated in Paragraph 3 of Supplementary Provisions of Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015)
	(Note) The reserve for distribution is the balance of amount subdivided into the gains on negative goodwill which were allocated in the past fiscal periods. United Urban reverses an amount equivalent to more than 1% of the balance of the reserve for distribution (equivalent to the averaged amount for 50 years) in each fiscal period, starting with the fiscal period ended May 31, 2017.

7. UNITHOLDERS' EQUITY

United Urban issues only units with no par value in accordance with the Investment Trust Act, under which United Urban is required to maintain at least ¥50,000 thousand as minimum net assets.

8. LONG-TERM DEBT

Long-term debt at November 30, 2016 and May 31, 2017 consisted of the following:

	End of 26th Fiscal Period (As of November 30, 2016)		End of 27th Fiscal Period (As of May 31, 2017)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from a trust bank at floating interest rate, due December 20, 2016	¥ 2,000,000	0.482%	-	-
Unsecured loan from banks at floating interest rate, due December 20, 2016	4,500,000	0.482%	-	-
Unsecured loan from a bank and a trust bank at floating interest rate, due March 20, 2017	3,900,000	0.482%	-	-
Unsecured loan from banks and an insurance company at fixed interest rate, due March 20, 2017	2,500,000	0.993%	-	-
Unsecured loan from banks and a trust bank at floating interest rate, due March 20, 2017	5,500,000	0.482%	-	-
Unsecured loan from a bank at fixed interest rate, due March 20, 2017	1,000,000	0.922%	-	-
Unsecured loan from a bank at fixed interest rate, due June 20, 2017 (Note 2)	1,400,000	2.142%	¥ 1,350,000	2.142%
Unsecured loan from a bank at floating interest rate, due June 20, 2017	1,300,000	0.534% (Note 3)	1,300,000	0.534% (Note 3)
Unsecured loan from banks at floating interest rate, due June 20, 2017	2,300,000	0.534% (Note 3)	2,300,000	0.534% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due June 20, 2017	2,500,000	0.484% (Note 3)	2,500,000	0.484% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 20, 2017	2,400,000	0.434% (Note 3)	2,400,000	0.434% (Note 3)
Unsecured loan from a bank at fixed interest rate, due September 20, 2017	4,400,000	0.740%	4,400,000	0.740%
Unsecured loan from a bank at floating interest rate, due March 20, 2018	3,000,000	0.611% (Note 3)	3,000,000	0.611% (Note 3)
Unsecured loan from a bank at floating interest rate, due March 20, 2018	2,200,000	0.511% (Note 3)	2,200,000	0.511% (Note 3)
Unsecured loan from a bank at floating interest rate, due March 20, 2018	3,000,000	0.461% (Note 3)	3,000,000	0.461% (Note 3)
Unsecured loan from banks at floating interest rate, due March 20, 2018	3,823,000	0.461% (Note 3)	3,823,000	0.461% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2018	1,700,000	0.559%	1,700,000	0.559%
Unsecured loan from a trust bank at floating interest rate, due June 20, 2018	2,000,000	0.778% (Note 3)	2,000,000	0.778% (Note 3)
Unsecured loan from banks and a federation at floating interest rate, due June 20, 2018	3,500,000	0.449% (Note 3)	3,500,000	0.449% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due June 20, 2018	1,000,000	0.735% (Note 3)	1,000,000	0.735% (Note 3)
Unsecured loan from a bank at fixed interest rate, due June 20, 2018	1,500,000	0.830%	1,500,000	0.830%
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	2,800,000	1.464%	2,800,000	1.464%
Unsecured loan from banks and a trust bank at floating interest rate, due September 20, 2018	2,500,000	0.453% (Note 3)	2,500,000	0.453% (Note 3)
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	1,000,000	0.781%	1,000,000	0.781%
Unsecured loan from a bank at fixed interest rate, due September 20, 2018	1,000,000	0.688%	1,000,000	0.688%
Unsecured loan from a bank at floating interest rate, due March 20, 2019	3,500,000	0.524% (Note 3)	3,500,000	0.524% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2019	1,000,000	0.753%	1,000,000	0.753%
Unsecured loan from a bank at floating interest rate, due March 20, 2019	1,600,000	0.620% (Note 3)	1,600,000	0.620% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2019	1,000,000	0.708%	1,000,000	0.708%
Unsecured loan from a bank at floating interest rate, due June 20, 2019	4,500,000	0.693% (Note 3)	4,500,000	0.693% (Note 3)
Unsecured loan from a bank at fixed interest rate, due June 20, 2019	2,200,000	0.960%	2,200,000	0.960%
Unsecured loan from a bank at floating interest rate, due June 20, 2019	2,000,000	0.523% (Note 3)	2,000,000	0.523% (Note 3)

	End of 26th Fiscal Period (As of November 30, 2016)		End of 27th Fiscal Period (As of May 31, 2017)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from a bank at fixed interest rate, due June 20, 2019	1,000,000	1.056%	1,000,000	1.056%
Unsecured loan from an insurance company at fixed interest rate, due September 20, 2019	1,000,000	0.511%	1,000,000	0.511%
Unsecured loan from banks at floating interest rate, due September 20, 2019	6,207,000	0.555% (Note 3)	6,207,000	0.555% (Note 3)
Unsecured loan from a bank at fixed interest rate, due September 20, 2019	1,200,000	0.593%	1,200,000	0.593%
Unsecured loan from a trust bank at fixed interest rate, due March 23, 2020	1,000,000	0.200%	1,000,000	0.200%
Unsecured loan from a bank at fixed interest rate, due March 23, 2020	4,000,000	0.800%	4,000,000	0.800%
Unsecured loan from a bank at fixed interest rate, due March 23, 2020	2,427,000	0.780%	2,427,000	0.780%
Unsecured loan from banks and a trust bank at floating interest rate, due March 23, 2020	2,417,000	0.617% (Note 3)	2,417,000	0.617% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due March 23, 2020	1,300,000	0.640% (Note 3)	1,300,000	0.640% (Note 3)
Unsecured loan from a bank at fixed interest rate, due June 20, 2020	900,000	1.370%	900,000	1.370%
Unsecured loan from banks and trust banks at floating interest rate, due June 20, 2020	6,150,000	0.631% (Note 3)	6,150,000	0.631% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 22, 2020	1,000,000	0.550% (Note 3)	1,000,000	0.550% (Note 3)
Unsecured loan from banks at floating interest rate, due September 23, 2020	2,000,000	0.527% (Note 3)	2,000,000	0.527% (Note 3)
Unsecured loan from a bank at floating interest rate, due September 23, 2020	500,000	0.428% (Note 3)	500,000	0.428% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due September 23, 2020	4,500,000	0.668% (Note 3)	4,500,000	0.668% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due September 23, 2020	3,283,000	0.668% (Note 3)	3,283,000	0.668% (Note 3)
Unsecured loan from an insurance company at fixed interest rate, due September 23, 2020	1,000,000	1.000%	1,000,000	1.000%
Unsecured loan from a bank at fixed interest rate, due September 23, 2020	2,400,000	0.826%	2,400,000	0.826%
Unsecured loan from a bank at fixed interest rate, due September 23, 2020	2,500,000	0.888%	2,500,000	0.888%
Unsecured loan from a bank at floating interest rate, due December 21, 2020	1,000,000	0.509% (Note 3)	1,000,000	0.509% (Note 3)
Unsecured loan from an insurance company at floating interest rate, due December 21, 2020	1,000,000	0.230% (Note 3)	1,000,000	0.230% (Note 3)
Unsecured loan from a trust bank at fixed interest rate, due December 21, 2020	1,300,000	0.858%	1,300,000	0.858%
Unsecured loan from a bank at floating interest rate, due March 22, 2021	1,000,000	0.217% (Note 3)	1,000,000	0.217% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,000,000	0.337%	1,000,000	0.337%
Unsecured loan from a bank at floating interest rate, due March 22, 2021	5,800,000	0.850% (Note 3)	5,800,000	0.850% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,400,000	0.830%	1,400,000	0.830%
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,400,000	0.841%	1,400,000	0.841%
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	2,200,000	0.850%	2,200,000	0.850%
Unsecured loan from a trust bank at fixed interest rate, due March 22, 2021	5,700,000	0.883%	5,700,000	0.883%
Unsecured loan from a bank at fixed interest rate, due March 22, 2021	1,900,000	0.690%	1,900,000	0.690%
Unsecured loan from a bank at floating interest rate, due March 22, 2021	2,000,000	0.619% (Note 3)	2,000,000	0.619% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,000,000	0.282%	1,000,000	0.280%
Unsecured loan from a bank at floating interest rate, due June 21, 2021	2,000,000	0.282%	2,000,000	0.280%
Unsecured loan from a trust bank at fixed interest rate, due June 21, 2021	1,000,000	0.350%	1,000,000	0.350%

	End of 26th Fiscal Period (As of November 30, 2016)		End of 27th Fiscal Period (As of May 31, 2017)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,700,000	0.737% (Note 3)	1,700,000	0.737% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 21, 2021	1,000,000	0.872% (Note 3)	1,000,000	0.872% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due June 21, 2021	1,000,000	0.770% (Note 3)	1,000,000	0.770% (Note 3)
Unsecured loan from a bank at floating interest rate, due September 21, 2021	500,000	0.559% (Note 3)	500,000	0.559% (Note 3)
Unsecured loan from a bank at floating interest rate, due September 21, 2021	1,500,000	0.282%	1,500,000	0.280%
Unsecured loan from a bank at floating interest rate, due December 20, 2021	2,900,000	0.612% (Note 3)	2,900,000	0.612% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due December 20, 2021	3,000,000	0.670% (Note 3)	3,000,000	0.670% (Note 3)
Unsecured loan from a bank at floating interest rate, due March 22, 2022	-	-	2,400,000	0.280%
Unsecured loan from an insurance company at fixed interest rate, due March 22, 2022	-	-	1,000,000	0.455%
Unsecured loan from a bank at fixed interest rate, due March 22, 2022	-	-	1,000,000	0.448%
Unsecured loan from a bank at fixed interest rate, due March 22, 2022	-	-	1,000,000	0.342%
Unsecured loan from a trust bank at fixed interest rate, due March 22, 2022	2,600,000	1.030%	2,600,000	1.030%
Unsecured loan from a bank at floating interest rate, due March 22, 2022	3,000,000	0.661% (Note 3)	3,000,000	0.661% (Note 3)
Unsecured loan from a bank at floating interest rate, due June 20, 2022	2,000,000	0.672% (Note 3)	2,000,000	0.672% (Note 3)
Unsecured loan from a bank at fixed interest rate, due June 20, 2022	1,000,000	0.728%	1,000,000	0.728%
Unsecured loan from a bank at fixed interest rate, due June 20, 2022	1,200,000	0.710%	1,200,000	0.710%
Unsecured loan from a bank at floating interest rate, due September 20, 2022	500,000	0.685% (Note 3)	500,000	0.685% (Note 3)
Unsecured loan from a bank at floating interest rate, due September 20, 2022	1,000,000	0.885% (Note 3)	1,000,000	0.885% (Note 3)
Unsecured loan from an insurance company at fixed interest rate, due September 20, 2022	1,000,000	0.861%	1,000,000	0.861%
Unsecured loan from a bank at fixed interest rate, due September 20, 2022	1,500,000	0.773%	1,500,000	0.773%
Unsecured loan from a trust bank at fixed interest rate, due September 20, 2022	2,800,000	0.814%	2,800,000	0.814%
Unsecured loan from a trust bank at fixed interest rate, due December 20, 2022	3,400,000	1.239%	3,400,000	1.239%
Unsecured loan from a trust bank at fixed interest rate, due March 20, 2023	6,500,000	0.842%	6,500,000	0.842%
Unsecured loan from a trust bank at fixed interest rate, due March 20, 2023	3,500,000	0.775%	3,500,000	0.775%
Unsecured loan from a bank at floating interest rate, due March 20, 2023	1,500,000	0.370% (Note 3)	1,500,000	0.370% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2023	2,000,000	0.452%	2,000,000	0.452%
Unsecured loan from a bank at floating interest rate, due March 20, 2023	1,000,000	0.332%	1,000,000	0.330%
Unsecured loan from a bank at floating interest rate, due March 20, 2023	2,000,000	0.490% (Note 3)	2,000,000	0.490% (Note 3)
Unsecured loan from a bank at fixed interest rate, due March 20, 2023	1,000,000	0.441%	1,000,000	0.441%
Unsecured loan from a trust bank at fixed interest rate, due June 20, 2023	1,000,000	0.798%	1,000,000	0.798%
Unsecured loan from a bank at fixed interest rate, due June 20, 2023	1,500,000	0.372%	1,500,000	0.372%
Unsecured loan from a bank at floating interest rate, due June 20, 2023	1,000,000	0.382%	1,000,000	0.380%
Unsecured loan from a bank at floating interest rate, due September 20, 2023	1,300,000	0.749% (Note 3)	1,300,000	0.749% (Note 3)
Unsecured loan from a bank at fixed interest rate, due September 20, 2023	1,300,000	0.780%	1,300,000	0.780%

	End of 26th Fiscal Period (As of November 30, 2016)		End of 27th Fiscal Period (As of May 31, 2017)	
	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)	Amount (Thousands of yen)	Weighted-average interest rate (Note 1)
Unsecured loan from a trust bank at floating interest rate, due March 21, 2024	1,000,000	0.625% (Note 3)	1,000,000	0.625% (Note 3)
Unsecured loan from a trust bank at floating interest rate, due March 21, 2024	1,000,000	0.312%	1,000,000	0.310%
Unsecured loan from a bank at fixed interest rate, due March 21, 2024	-	-	1,000,000	0.565%
Unsecured loan from a bank at floating interest rate, due March 21, 2024	-	-	1,500,000	0.380%
Unsecured loan from a trust bank at fixed interest rate, due June 20, 2024	1,700,000	0.924%	1,700,000	0.924%
Unsecured loan from a bank at fixed interest rate, due June 20, 2024	2,000,000	0.523%	2,000,000	0.523%
Unsecured loan from a bank at floating interest rate, due June 20, 2024	-	-	2,700,000	0.380%
Unsecured loan from a bank at floating interest rate, due June 20, 2024	-	-	1,500,000	0.260%
Unsecured loan from a bank at fixed interest rate, due September 20, 2024	1,000,000	0.680%	1,000,000	0.680%
Unsecured loan from a bank at floating interest rate, due September 20, 2024	1,000,000	0.633% (Note 3)	1,000,000	0.633% (Note 3)
Unsecured loan from a bank at floating interest rate, due September 20, 2024	-	-	1,500,000	0.380%
Unsecured loan from a bank at fixed interest rate, due September 20, 2024	-	-	1,500,000	0.428%
Unsecured loan from a bank at floating interest rate, due December 20, 2024	-	-	1,400,000	0.330%
Unsecured loan from an insurance company at fixed interest rate, due March 21, 2025	1,000,000	0.687%	1,000,000	0.687%
Unsecured loan from a bank at fixed interest rate, due March 21, 2025	2,000,000	0.430%	2,000,000	0.430%
Unsecured loan from a trust bank at fixed interest rate, due March 21, 2025	-	-	3,500,000	0.489%
Unsecured loan from a bank at fixed interest rate, due March 21, 2025	-	-	2,000,000	0.639%
Unsecured loan from a bank at fixed interest rate, due March 21, 2025	-	-	1,000,000	0.489%
Unsecured loan from a bank at fixed interest rate, due March 21, 2025	-	-	1,000,000	0.624%
Unsecured loan from a bank at fixed interest rate, due March 21, 2025	-	-	1,000,000	0.524%
Unsecured loan from a trust bank at floating interest rate, due September 22, 2025	3,000,000	0.372%	3,000,000	0.370%
Unsecured loan from a trust bank at fixed interest rate, due December 22, 2025	2,000,000	0.627%	2,000,000	0.627%
Unsecured loan from a bank at fixed interest rate, due March 23, 2026	-	-	2,000,000	0.460%
Unsecured loan from a bank at fixed interest rate, due March 23, 2026	-	-	4,500,000	0.569%
Unsecured loan from a bank at fixed interest rate, due June 22, 2026	-	-	2,400,000	0.544%
Unsecured loan from an insurance company at fixed interest rate, due March 23, 2027	-	-	1,000,000	0.756%
Unsecured loan from an insurance company at fixed interest rate, due March 23, 2027	-	-	1,000,000	0.656%
Unsecured loan from a trust bank at floating interest rate, due June 21, 2027	-	-	2,500,000	0.340%
Unsecured loan from a trust bank at floating interest rate, due December 20, 2027	-	-	2,500,000	0.370%
Total	¥ 223,907,000		¥ 245,357,000	

Notes: 1. The average interest rate represents the weighted average during the period based on the number of days and the outstanding balance of the borrowing, and is rounded to the nearest third decimal place.

2. From December 20, 2010 as the first repayment date, ¥50 million had been repaid every six months and ¥1,350 million was repaid on the final repayment date (June 20, 2017).

3. These are borrowings with floating interest rates applying the Japanese Bankers Association (JBA) one month JPY TIBOR, three months JPY TIBOR or the one month Euroyen LIBOR as a basic interest rate. However, the interest rates for these borrowings are, in effect, fixed due to the execution of interest rate swap agreements. The adjusted interest rates in consideration of the swap transactions are stated.

9. CORPORATE BONDS

Corporate bonds at November 30, 2016 and May 31, 2017 consisted of the following:

	End of 26th Fiscal Period (As of November 30, 2016)		End of 27th Fiscal Period (As of May 31, 2017)	
	Amount (Thousands of yen)	Interest rate	Amount (Thousands of yen)	Interest rate
Series 6 unsecured bonds, due December 9, 2016	¥ 3,000,000	1.120%	-	-
Series 7 unsecured bonds, due July 5, 2017	6,500,000	0.950%	¥ 6,500,000	0.950%
Series 9 unsecured bonds, due December 19, 2016	10,000,000	0.620%	-	-
Series 10 unsecured bonds, due December 12, 2017	4,000,000	0.690%	4,000,000	0.690%
Series 11 unsecured bonds, due May 30, 2018	8,000,000	0.690%	8,000,000	0.690%
Series 12 unsecured bonds, due May 30, 2018	2,000,000	0.690%	2,000,000	0.690%
Series 13 unsecured bonds, due November 20, 2018	13,000,000	0.470%	13,000,000	0.470%
Series 14 unsecured bonds, due November 20, 2018	2,000,000	0.470%	2,000,000	0.470%
Series 15 unsecured bonds, due October 29, 2021	3,000,000	0.525%	3,000,000	0.525%
Series 16 unsecured bonds, due May 29, 2025	2,000,000	0.804%	2,000,000	0.804%
Total	¥ 53,500,000		¥ 40,500,000	

10. OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the fiscal periods ended November 30, 2016 and May 31, 2017 were as follows:

	Thousands of yen	
	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)
Operating Revenues	¥ 21,501,917	¥ 22,919,268
Rental Revenues	20,046,270	21,592,214
Rental revenues	17,915,183	19,327,534
Common area charges	1,458,007	1,528,272
Parking revenues	545,392	602,085
Other	127,687	134,323
Other Rental Revenues	1,455,647	1,327,053
Incidental revenues	1,244,992	1,164,529
Temporary revenues (including cancellation charges)	118,990	69,783
Other miscellaneous revenues	91,664	92,741
Property-Related Expenses	9,706,927	9,382,608
Property and other taxes	1,650,830	1,646,868
Property management fees	1,514,788	1,540,377
Utilities	1,187,420	1,138,142
Casualty insurance	27,067	28,250
Repairs and maintenance	1,048,051	657,404
Depreciation and amortization	3,884,710	3,991,339
Other rental expenses	394,058	380,225
Profit from rental activities	¥ 11,794,990	¥ 13,536,660

11. GAIN ON SALES OF REAL ESTATE PROPERTIES

Gain on sales of real estate properties for the fiscal periods ended November 30, 2016 and May 31, 2017 were as follows:

(26th Fiscal Period: June 1, 2016 - November 30, 2016)

<u>Yokohama Aioicho Building</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 1,260,000
Cost of sales of real estate properties	1,070,444
Other sales expenses	56,281
Gain on sales of real estate properties	¥ 133,273

<u>HOTEL ROUTE-INN Nagoya Imaiike Ekimae</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 3,160,000
Cost of sales of real estate properties	1,855,935
Other sales expenses	74,291
Gain on sales of real estate properties	¥ 1,229,773

(27th Fiscal Period: December 1, 2016 – May 31, 2017)

<u>Pacific Marks Shin-Urayasu</u>	Thousands of yen
Revenue from sales of real estate properties	¥ 4,100,000
Cost of sales of real estate properties	3,863,925
Other sales expenses	172,989
Gain on sales of real estate properties	¥ 63,084

12. INCOME TAXES

The significant components of deferred tax assets and deferred tax liabilities at November 30, 2016 and May 31, 2017 were summarized as follows:

		(Thousands of yen)	
End of 26th Fiscal Period (As of November 30, 2016)		End of 27th Fiscal Period (As of May 31, 2017)	
Deferred tax assets – current		Deferred tax assets – current	
Difference in revenue recognition for tax purposes	¥ 17,995	Difference in revenue recognition for tax purposes	¥ 17,887
Other	-	Other	6
Subtotal	17,995	Subtotal	17,894
Valuation allowance	(17,995)	Valuation allowance	(17,894)
Total	-	Total	-
Deferred tax assets – non current		Deferred tax assets – non current	
Valuation difference on assets acquired by merger	¥20,039,828	Valuation difference on assets acquired by merger	¥19,834,502
Subtotal	20,039,828	Subtotal	19,834,502
Valuation allowance	(20,039,828)	Valuation allowance	(19,834,502)
Total	-	Total	-
Net deferred tax assets	-	Net deferred tax assets	-

A reconciliation of the differences between the statutory tax rate and the effective tax rate after the application of tax effect accounting for the fiscal periods ended November 30, 2016 and May 31, 2017 were summarized as follows:

	26th Fiscal Period (As of November 30, 2016)	27th Fiscal Period (As of May 31, 2017)
Statutory tax rate	31.74%	31.74%
(Adjustment)		
Distributions of tax-deductible dividends	(28.65)%	(29.73)%
Changes in valuation allowance	(3.09)%	(2.01)%
Other	0.01%	0.01%
Effective tax rate after the application of tax effect accounting	0.01%	0.01%

United Urban is subject to income taxes in Japan. United Urban's policy is to make dividend distributions in excess of 90% of distributable profit for each fiscal period in order to meet the conditions stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation of Japan (including all subsequent amendments) concerning the deductibility of cash dividends paid for income tax purposes within the limit of the amount of earnings. Based on this policy, for the 26th fiscal period, United Urban reserved ¥459,972 thousand as reserve retained for distribution from the unappropriated retained earnings of ¥9,348,568 thousand, and then decided to distribute the remaining ¥8,888,596 thousand. For the 27th fiscal period, United Urban added reversal of reserve for temporary difference adjustments of ¥75,463 thousand to the unappropriated retained earnings of ¥10,285,440 thousand, and reserved ¥431,871 thousand as reserve retained for distribution. Then, United Urban decided to distribute the remaining ¥9,929,032 thousand. United Urban does not distribute cash dividends in excess of its earnings as stipulated in Article 35, Paragraph 2 of its Articles of Incorporation.

13. THE FAIR VALUE OF FINANCIAL INSTRUMENTS

Matters Concerning Financial Instruments

1. Approach to financial instruments

United Urban procures funds, mainly for the acquisition, repair and maintenance of real estate properties and for the repayment of interest-bearing liabilities, primarily by borrowing from financial institutions, issuing corporate bonds and issuing new investment units. With respect to procurement of funds for interest-bearing liabilities, based on its policy of building a robust financial standing, United Urban procures, in principle, funds with long terms and fixed interest rates, and adopts a conservative financial strategy as its basic policy, which includes aiming to secure financial stability and liquidity through such measures as spreading out the repayment deadlines and utilizing lines of credit. In addition, United Urban may at times engage in investment management of various types of deposits for the purpose of efficiently managing tentative surplus funds. Furthermore, United Urban may conduct derivative transactions only for the purpose of hedging interest rate fluctuation risks in debt, etc.

2. Details of financial instruments and their risks and risk management structure

Funds are procured in the form of debt and corporate bonds, mainly for the purpose of the acquiring real estate properties, real estate backed securities, etc. and the repaying of interest-bearing liabilities. Debt and corporate bonds are exposed to liquidity risks on repayment/redemption deadlines, but United Urban manages the concerned risks by striving to maintain and strengthen its capacity to procure funds from the capital markets through increases in capital by keeping the LTV within a range deemed to be appropriate, by ensuring liquidity at hand, such as through line-of-credit agreements with several leading financial institutions of Japan and by taking other measures.

Moreover, debt with floating interest rates is exposed to risks of fluctuation in the interest payable, however United Urban manages the concerned risks by adjusting the ratio of the debt with floating interest rates to the balance of the total outstanding debt in response to the financial environment, by utilizing or considering derivative transactions (interest rate cap transactions and interest rate swap transactions) as hedging instruments in order to fix interest expenses and by taking other measures. Furthermore, the risks associated with derivative transactions are controlled in accordance with the operational management procedures of JRA.

Surplus funds of United Urban invested as large time deposits, etc., are exposed to risks of failure of the financial institutions holding the deposits and to other credit risks, but United Urban manages the concerned risks by diversifying the financial institutions holding the deposits and by taking other measures.

Leasehold and security deposits received including deposits in trust, are deposits from tenants and are exposed to liquidity risks arising from the tenants' vacating their properties before the expiration of lease agreements. United Urban manages the concerned risks by putting aside an amount sufficient to enable deposits to be returned without interruption and by ensuring liquidity at hand, such as through line-of-credit agreements.

3. Supplemental explanation for matters concerning the fair value, etc. of financial instruments

The fair value of a financial instrument, in addition to values based on market prices, includes values based on reasonable calculations when there is no market price. Certain assumptions, etc. are adopted in the calculations of the said values and there may be cases where these values will vary when different assumptions, etc. are adopted.

Matters Concerning the Fair Value, etc. of Financial Instruments

The carrying amounts on the balance sheet, the fair values, and their differences as of November 30, 2016 and May 31, 2017 are as follows. However, the following table does not include the financial instruments whose fair values are deemed extremely difficult to measure. (Please refer to (Note 2).)

(End of 26th Fiscal Period: As of November 30, 2016)

(Thousands of yen)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 36,132,706	¥ 36,132,706	-
(2) Cash and bank deposits in trust	28,548,687	28,548,687	-
Total assets	¥ 64,681,393	¥ 64,681,393	-
(3) Current portion of corporate bonds	¥ 19,500,000	¥ 19,534,450	¥ 34,450
(4) Long-term debt due for repayment within one year	33,700,000	33,800,938	100,938
(5) Corporate bonds	34,000,000	34,237,600	237,600
(6) Long-term debt	190,207,000	191,488,681	1,281,681
(7) Leasehold and security deposits received in trust	214,534	220,657	6,123
Total liabilities	¥ 277,621,534	¥ 279,282,327	¥ 1,660,792
(8) Derivative transactions (*)	¥ (219,531)	¥ (219,531)	-
Total derivative transactions	¥ (219,531)	¥ (219,531)	-

(*) The assets/liabilities arising from derivative transactions are shown in the net amount with liabilities on a net basis shown in parentheses.

(End of 27th Fiscal Period: As of May 31, 2017)

(Thousands of yen)

	Carrying amounts on the balance sheet	Fair value (Note 1)	Differences
(1) Cash and bank deposits	¥ 30,304,439	¥ 30,304,439	-
(2) Cash and bank deposits in trust	31,189,067	31,189,067	-
Total assets	¥ 61,493,507	¥ 61,493,507	-
(3) Current portion of corporate bonds	¥ 20,500,000	¥ 20,563,950	¥ 63,950
(4) Long-term debt due for repayment within one year	27,973,000	28,048,773	75,773
(5) Corporate bonds	20,000,000	20,125,900	125,900
(6) Long-term debt	217,384,000	219,472,121	2,088,121
(7) Leasehold and security deposits received in trust	107,267	109,267	1,999
Total liabilities	¥ 285,964,267	¥ 288,320,012	¥ 2,355,745
(8) Derivative transactions (*)	¥ (201,353)	¥ (201,353)	-
Total derivative transactions	¥ (201,353)	¥ (201,353)	-

(*) The assets/liabilities arising from derivative transactions are shown in the net amount with liabilities on a net basis shown in parentheses.

Notes: 1. Calculation method for the fair values of financial instruments

(1) Cash and bank deposits / (2) Cash and bank deposits in trust

As these items are settled within a short period of time and the fair value approximates the book value, the fair value stated above is the book value thereof.

(3) Current portion of corporate bonds / (5) Corporate bonds

The fair value of these is calculated based on referenced indicative prices of sale/purchase transactions by financial institutions, etc.

(4) Long-term debt due for repayment within one year / (6) Long-term debt

The fair value is calculated by discounting the total amount of principal and interest by the rate assumed as being applicable in the event of a new borrowings corresponding to the remaining loan term. As for long-term debt with floating interest rate that qualifies for the special treatment of interest rate swaps (please refer to "21. DERIVATIVE TRANSACTIONS"), the fair value is calculated by discounting the total amount of principal and interest, which are accounted for as one transaction with the interest swap, by the rate assumed as being applicable in the event of the same type of new borrowings corresponding to the remaining loan term.

(7) Leasehold and security deposits received in trust

The fair value of these is based on the method of calculating by discounting the future cash flows of such by the rate that takes into account the credit risks and the remaining term until the repayment deadline.

(8) Derivative transactions

Please refer to "21. DERIVATIVE TRANSACTIONS".

2. Financial instruments whose fair values are deemed extremely difficult to measure

	Thousands of yen	
	End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
Investment securities (*1)	¥ 93,905	¥ 93,905
Leasehold and security deposits received (*2)	2,964,334	2,955,688
Leasehold and security deposits received in trust (*2)	26,964,734	28,437,886

(*1) Concerning investment securities (preferred equity securities), there is no market price and future cash flows cannot be reasonably estimated. Therefore, discerning the fair value is concluded to be extremely difficult, and fair value disclosure is not required.

(*2) Concerning leasehold and security deposits received and leasehold and security deposits received in trust that are deposited by lessees, future cash flows cannot be estimated since there is no market price, since it is difficult to assume when such deposits will be returned due to such factors as possibility of early termination or renewal/re-contracting of the agreement even if the term of the lease agreement has been set and since trends cannot be derived based on analyses of past departures by tenants from the portfolio assets of United Urban due to the unique circumstances of each departure. Accordingly, discerning the fair value is concluded to be extremely difficult and, thus, fair value disclosure of these items is not required.

3. Amount of monetary claims to be repaid subsequent to the end of the fiscal period

(End of 26th Fiscal Period: As of November 30, 2016)

	(Thousands of yen)					
	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Cash and bank deposits	¥ 36,132,706	-	-	-	-	-
Cash and bank deposits in trust	28,548,687	-	-	-	-	-
Total	¥ 64,681,393	-	-	-	-	-

(End of 27th Fiscal Period: As of May 31, 2017)

	(Thousands of yen)					
	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Cash and bank deposits	¥ 30,304,439	-	-	-	-	-
Cash and bank deposits in trust	31,189,067	-	-	-	-	-
Total	¥ 61,493,507	-	-	-	-	-

4. Amount of borrowings and corporate bonds to be repaid subsequent to the end of the fiscal period

(End of 26th Fiscal Period: As of November 30, 2016)

	(Thousands of yen)					
	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Corporate bonds	¥ 19,500,000	¥ 29,000,000	-	-	¥ 3,000,000	¥ 2,000,000
Long-term debt	33,700,000	29,023,000	¥ 25,207,000	¥ 35,377,000	35,400,000	65,200,000
Total	¥ 53,200,000	¥ 58,023,000	¥ 25,207,000	¥ 35,377,000	¥ 38,400,000	¥ 67,200,000

(End of 27th Fiscal Period: As of May 31, 2017)

	(Thousands of yen)					
	Within one year	Over 1 year, less than 2 years	Over 2 years, less than 3 years	Over 3 years, less than 4 years	Over 4 years, less than 5 years	Over 5 years
Corporate bonds	¥ 20,500,000	¥ 15,000,000	-	-	¥ 3,000,000	¥ 2,000,000
Long-term debt	27,973,000	22,400,000	¥ 29,251,000	¥ 49,933,000	26,600,000	89,200,000
Total	¥ 48,473,000	¥ 37,400,000	¥ 29,251,000	¥ 49,933,000	¥ 29,600,000	¥ 91,200,000

14. THE FAIR VALUE OF INVESTMENT AND RENTAL PROPERTIES

United Urban owns real estate assets for rent (retail properties, office buildings, hotels, residential properties and other properties (including land)) in the Tokyo Metropolitan Area, major Japanese cities including government designated cities, and surrounding areas thereof. The carrying amounts on the balance sheet, the amount of changes during the period and the fair values as of and November 30, 2016 and May 31, 2017 are as follows:

		(Thousands of yen)	
Type of Use		26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)
Retail properties	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 189,458,136	¥ 202,170,895
	Change during period (Note 2)	12,712,758	847,603
	Balance at end of period	¥ 202,170,895	¥ 203,018,498
	Fair value at end of period (Note 3)	¥ 230,844,000	¥ 232,334,000
Office buildings	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 189,422,587	¥ 187,649,474
	Change during period (Note 2)	(1,773,112)	19,597,731
	Balance at end of period	¥ 187,649,474	¥ 207,247,205
	Fair value at end of period (Note 3)	¥ 220,366,000	¥ 242,980,000
Hotels	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 107,642,603	¥ 105,844,888
	Change during period (Note 2)	(1,797,714)	6,628,871
	Balance at end of period	¥ 105,844,888	¥ 112,473,760
	Fair value at end of period (Note 3)	¥ 123,479,000	¥ 131,288,000
Residential properties	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 41,154,184	¥ 40,771,326
	Change during period (Note 2)	(382,858)	988,389
	Balance at end of period	¥ 40,771,326	¥ 41,759,715
	Fair value at end of period (Note 3)	¥ 51,415,000	¥ 53,489,000
Others	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 35,028,345	¥ 43,942,759
	Change during period (Note 2)	8,914,414	2,370,613
	Balance at end of period	¥ 43,942,759	¥ 46,313,373
	Fair value at end of period (Note 3)	¥ 49,670,300	¥ 53,072,300
Total	Carrying amount on the balance sheet (Note 1)		
	Balance at beginning of period	¥ 562,705,857	¥ 580,379,344
	Change during period (Note 2)	17,673,487	30,433,209
	Balance at end of period	¥ 580,379,344	¥ 610,812,554
	Fair value at end of period (Note 3)	¥ 675,774,300	¥ 713,163,300

- Notes: 1. The carrying amount on the balance sheet is the acquisition cost (including the expenses incidental to the acquisition) less accumulated depreciation.
2. Of the "Change during period" for the 26th fiscal period, the amount of the increase is primarily attributable to acquisition of three new properties (total: ¥18,810 million) and acquisition of the building standing on the land adjacent to the existing property (¥385 million), and capital expenditures (¥5,762 million). And the amount of the decrease is primarily attributable to the sale of two properties (total: ¥2,926 million) and the depreciation and amortization (¥3,878 million).
Of the "Change during period" for the 27th fiscal period, the amount of the increase is primarily attributable to acquisition of five new properties (total: ¥36,740 million) and acquisition of the land adjacent to the existing property (¥100 million), and capital expenditures (¥1,584 million). And the amount of the decrease is primarily attributable to the sale of one property (¥3,863 million) and the depreciation and amortization (¥3,984 million).
3. The "Fair value at end of period" stated above is the appraisal value or price resulting from a price survey by licensed real estate appraisers based on the asset valuation methods and standards set forth in United Urban's Articles of Incorporation and the rules of the Investment Trusts Association, Japan.

For the revenues and expenses concerning investment and rental properties, please refer to the aforementioned "10. OPERATING REVENUES AND EXPENSES."

15. TRANSACTIONS WITH RELATED PARTIES

(26th Fiscal Period: June 1, 2016 – November 30, 2016)

1. Asset Management Companies and Related Parties, etc.

Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Marubeni Real Estate Management Co., Ltd.	Real estate	-	None	Property leasing	¥ 80,316	Leasehold and security deposits received	¥ 45,671
				Other rental revenues	2,472	Rent receivables	336
				Brokerage commissions	47,400	-	-
				Property management fees	529,965	Trade accounts payable	185,777
				Construction management fees	68,133	Trade accounts payable	9,848
				Construction costs	32,385	Trade accounts payable	14,473
				Other rental expenses	4,396	Trade accounts payable	551
Marubeni Corporation	Wholesale industry	0.2	None	Property leasing	152,832	Leasehold and security deposits received	198,600
						Rent received in advance	25,525
Marubeni Power Retail Corporation	Electricity industry	-	None	Utilities	117,851	Trade accounts payable	18,357
Marubeni Real Estate Sales Co., Ltd.	Real estate	-	None	Property leasing	12,850	Leasehold and security deposits received	12,564
				Other rental revenues	1,248	Rent receivables	175
Benirei Corporation	Wholesale industry	-	None	Property leasing	2,260	Leasehold and security deposits received	3,408
						Rent received in advance	406
				Other rental revenues	339	Rent receivables	52
Marubeni-Mitsubishi Rice, Inc.	Wholesale industry	-	None	Property leasing	9,653	Leasehold and security deposits received	12,391
						Rent received in advance	1,737
				Other rental revenues	498	Rent receivables	70

Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at End of Period" is inclusive of consumption tax.

2. Decisions relating to the terms and conditions of these related party transactions are based on market forces.

2. Asset Custodian

Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Sumitomo Mitsui Trust Bank, Limited	Trust bank	-	-	-	Long-term debt	¥ 39,983,000
					Long-term debt due for repayment within one year	4,000,000
			Interest expenses	¥ 159,086	Accrued expenses	51,461
			Loan expenses	73,332	Prepaid expenses	8,313
					Long-term prepaid expenses	559,040
					Accrued expenses	2,753
			Custodian fees	25,040	-	-

Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
			Agent commissions	17,036	Accrued expenses	1,418
			Brokerage commissions	226,500	-	-

Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at End of Period" is inclusive of consumption tax.
2. Decisions relating to the terms and conditions of these related party transactions are based on market forces.

(27th Fiscal Period: December 1, 2016 – May 31, 2017)

1. Asset Management Companies and Related Parties, etc.

Company Name	Section	Share of Voting Rights (%)	Concurrently Serving Directors	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Marubeni Real Estate Management Co., Ltd.	Real estate	-	None	Property leasing	¥ 63,159	Leasehold and security deposits received	¥ 29,160
						Rent received in advance	5,170
				Other rental revenues	2,191	Rent receivables	315
				Property management fees	498,661	Trade accounts payable	103,206
				Construction management fees	20,136	Trade accounts payable	6,484
				Construction costs	39,062	Trade accounts payable	28,406
				Other rental expenses	4,016	Trade accounts payable	345
Marubeni Corporation	Wholesale industry	0.2	None	Property leasing	152,832	Leasehold and security deposits received	198,600
						Rent received in advance	25,525
Marubeni Power Retail Corporation	Electricity industry	-	None	Utilities	111,837	Trade accounts payable	20,819
Marubeni Real Estate Sales Co., Ltd.	Real estate	-	None	Property leasing	13,306	Leasehold and security deposits received	14,278
						Rent received in advance	2,544
				Other rental revenues	1,281	Rent receivables	167
Benirei Corporation	Wholesale industry	-	None	Property leasing	2,260	Leasehold and security deposits received	3,408
						Rent received in advance	406
				Other rental revenues	335	Rent receivables	58
Marubeni-Mitsubishi Rice, Inc.	Wholesale industry	-	None	Property leasing	9,653	Leasehold and security deposits received	12,391
						Rent received in advance	1,737
				Other rental revenues	497	Rent receivables	67
MG Leasing Corporation	Lease	-	None	Other rental expenses	192	-	-
YAMABOSHIYA Co., Ltd.	Wholesale industry	-	None	Property leasing	8,369	Leasehold and security deposits received	41,848
						Rent received in advance	7,748
				Other rental revenues	404	Rent receivables	436

Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at End of Period" is inclusive of consumption tax.
2. Decisions relating to the terms and conditions of these related party transactions are based on market forces.

2. Asset Custodian

Company Name	Section	Share of Voting Rights (%)	Description of Transaction	Amount of Transaction (Thousands of yen) (Note 1)	Account	Balance at End of Period (Thousands of yen) (Note 1)
Sumitomo Mitsui Trust Bank, Limited	Trust bank	-	New long-term debt	¥ 5,000,000	Long-term debt	¥ 44,983,000
					Long-term debt due for repayment within one year	2,500,000
			Interest expenses	159,067	Accrued expenses	51,756
			Loan expenses	73,444	Prepaid expenses	4,996
					Long-term prepaid expenses	603,181
					Accrued expenses	2,794
			Custodian fees	29,173	-	-
			Agent commissions	17,701	Accrued expenses	1,470
			Brokerage commissions	669,120	-	-

Notes: 1. "Amount of Transaction" is exclusive of consumption tax; however, "Balance at End of Period" is inclusive of consumption tax.
2. Decisions relating to the terms and conditions of these related party transactions are based on market forces.

16. PER UNIT INFORMATION

The calculation of net assets per unit is based on the total number of investment units issued and outstanding at the period end, and the calculation of net income per unit is based on the average number of investment units during the period. Net assets per unit and net income per unit at November 30, 2016 and May 31, 2017 for the fiscal periods then ended are summarized as follows:

	Yen	
	26th Fiscal Period (June 1, 2016 - November 30, 2016)	27th Fiscal Period (December 1, 2016 - May 31, 2017)
Net assets per unit	¥ 112,966	¥ 115,152
Net income per unit	¥ 3,183	¥ 3,376
Average number of investment units during the period (units)	2,936,915	3,045,874

17. RESERVE FOR TEMPORARY DIFFERENCE ADJUSTMENTS

End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
United Urban applied transitional measures stipulated in the paragraph 3 of supplementary provision of the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015), and transferred the reserve for distribution of ¥7,546,388,071, which was the balance of amount subdivided into the gain on negative goodwill allocated in the previous periods, to reserve for temporary difference adjustments in the "statement of cash distribution". From the fiscal period subsequent to the fiscal period in which the reserve for temporary difference adjustments was allocated, United Urban will distribute to unitholders at least 1% of the balance of reserve for temporary difference adjustments (amount equivalent to the averaged amount for 50 years) in each fiscal period, to the extent the balance of reserve for temporary difference adjustments remains.	United Urban applied transitional measures stipulated in the paragraph 3 of supplementary provision of the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015), and transferred the reserve for distribution of ¥7,546,388,071, which was the balance of amount subdivided into the gain on negative goodwill allocated in the previous periods, to reserve for temporary difference adjustments in the "statement of cash distribution" of the fiscal period ended November 30, 2016. From the fiscal period ended May 31, 2017, subsequent to the fiscal period in which the reserve was allocated, United Urban is required to distribute to unitholders more than 1% of the reserve balance at the time of provision (more than ¥75,463,881: amount equivalent to the averaged amount for 50 years) in each fiscal period, to the extent the balance of reserve for temporary difference adjustments remains. United Urban reversed ¥75,463,881 for the fiscal period ended May 31, 2017.

18. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents at November 30, 2016 and May 31, 2017 were as follows:

	Thousands of yen	
	End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
Cash and bank deposits	¥ 64,681,393	¥ 61,493,507
Cash and cash equivalents	¥ 64,681,393	¥ 61,493,507

19. LEASES

United Urban leases properties on which rental revenue is earned. At November 30, 2016 and May 31, 2017, future lease revenues under non-cancelable operating leases are summarized as follows:

	Thousands of yen	
	End of 26th Fiscal Period (As of November 30, 2016)	End of 27th Fiscal Period (As of May 31, 2017)
Due within one year	¥ 16,069,541	¥ 15,323,179
Due over one year	84,431,157	82,006,161
Total	¥ 100,500,698	¥ 97,329,341

20. SECURITIES

(End of 26th Fiscal Period: As of November 30, 2016)

Concerning the preferred equity securities (Balance sheet amount: ¥93,905 thousand), measuring the fair value is concluded to be extremely difficult since there is no market price and future cash flows cannot be reasonably estimated. Therefore, fair value disclosure is not required.

(End of 27th Fiscal Period: As of May 31, 2017)

Concerning the preferred equity securities (Balance sheet amount: ¥93,905 thousand), measuring the fair value is concluded to be extremely difficult since there is no market price and future cash flows cannot be reasonably estimated. Therefore, fair value disclosure is not required.

21. DERIVATIVE TRANSACTIONS

1. Derivative transactions not subject to hedge accounting

Fiscal period ended November 30, 2016: None

Fiscal period ended May 31, 2017: None

2. Derivative transactions subject to hedge accounting

(End of 26th Fiscal Period: As of November 30, 2016)

Hedge Accounting Method	Type	Main Hedged Item	Amount of Contract (Thousands of yen)		Fair Value (Thousands of yen)	Calculation Method of Fair Value
				over one year		
Principal method	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	¥ 59,080,000	¥ 50,580,000	¥ (219,531)	(Note 2)
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	43,600,000	43,600,000	(Note 1)	-
Total			¥102,680,000	¥ 94,180,000	¥ (219,531)	

(End of 27th Fiscal Period: As of May 31, 2017)

Hedge Accounting Method	Type	Main Hedged Item	Amount of Contract (Thousands of yen)		Fair Value (Thousands of yen)	Calculation Method of Fair Value
				over one year		
Principal method	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	¥ 59,080,000	¥ 38,557,000	¥ (201,353)	(Note 2)
Special treatment of interest-rate swaps	Interest-rate swaps (fixed rate payable and floating rate receivable)	Long-term debt	43,600,000	43,600,000	(Note 1)	-
Total			¥102,680,000	¥ 82,157,000	¥ (201,353)	

Notes: 1. Since the derivative financial instruments qualifying for the special treatment of interest-rate swaps are accounted for as one transaction with the hedged item (long-term debt), the fair value is included in that of the relevant long-term debt.

2. The fair value is measured using values which are calculated based on market interest rates by the counterparty to the transaction.

Independent Auditor's Report

The Board of Directors
United Urban Investment Corporation

We have audited the accompanying financial statements of United Urban Investment Corporation, which comprise the balance sheet as at May 31, 2017, and the statements of income and retained earnings, changes in unitholders' equity, and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Urban Investment Corporation as at May 31, 2017, and its financial performance and cash flows for the six-month period then ended in conformity with accounting principles generally accepted in Japan.

Ernst & Young ShinNihon LLC

August 28, 2017

Corporate Data

Set out below is certain corporate data of United Urban Investment Corporation (“United Urban”), as of May 31, 2017:

Corporate Name:	United Urban Investment Corporation
Corporate Office:	Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan
Date of Incorporation:	November 4, 2003
Paid-in Capital:	¥309,205,625,251
Number of Unitholders:	23,034
Transfer Agent:	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Business Office of the Transfer Agent:	Stock Transfer Agency Department of Sumitomo Mitsui Trust Bank, Limited 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063, Japan
Independent Auditor:	Ernst & Young ShinNihon LLC Hibiya Kokusai Building, 2-2-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan
Stock Listing:	Tokyo Stock Exchange (Securities Code: 8960)
Fiscal Period:	Fiscal periods are the six months ending on May 31 and November 30
Investor Relations:	For further information, please contact our Asset Management Company: Japan REIT Advisors Co., Ltd. Chief Financial Officer Shiroyama Trust Tower 18F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6018, Japan Tel: +81-3-5402-3680

About Our Website

<http://www.united-reit.co.jp/en/>

United Urban’s website offers various contents such as investment policies, basic structure, portfolio information, financial information and press releases, etc. We intend to enhance our website to provide useful information to our unitholders.



Disclaimer

This semiannual report includes translation of certain documents originally filed and made available in Japan in accordance with Financial Instruments and Exchange Act of Japan and the Act on Investment Trusts and Investment Corporations of Japan. This English language semiannual report was prepared solely for the convenience of readers outside Japan and is not intended to constitute a statutory document for an offer to sell, or seeking an offer to buy, any securities of United Urban.

English terms for Japanese legal, accounting, tax, and business concepts used herein may not to be precisely identical to the concept of the equivalent Japanese terms. With respect to any and all terms herein, including without limitation, financial statements, if there exist any discrepancies in the meaning or interpretation thereof between the original Japanese documents and the English translation contained herein, the Japanese documents will always govern the meaning and interpretation.

United Urban, JRA, and any of their respective directors, officers, employees, partners, shareholders, agents, affiliates or their advisors are not responsible or liable for the completeness, appropriateness, or accuracy of English translations or the selection of the portion(s) of any document(s) translated into English. No person has been authorized to give any information or make any representations other than as contained in this document in relation to the matters set out in this document, and if given or made, such information or representation must not be relied upon as having been authorized by United Urban, JRA or any of their respective directors, officers, employees, partners, shareholders, agents, affiliates or their advisors.

The financial statements of United Urban have been prepared in accordance with generally accepted accounting principles in Japan “Japanese GAAP” which may materially differ in certain respects from generally accepted accounting principles in other jurisdictions.

This semiannual report contains forward-looking statements. These statements appear in a number of places in this semiannual report and include statements regarding the intent, belief, or current and future expectations of United Urban or JRA with respect to its business, financial condition and results of operations. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” or the negative of these terms or other similar terminology. These statements are not guarantees of future performance and are subject to various risks and uncertainties. Actual results, performance or achievements, or those of the industries in which we operate, may differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. In addition, these forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks and uncertainties. Forward-looking statements regarding operating revenues, operating income, net income or profitability from portfolio are particularly subject to a variety of assumptions, some or all of which may not be realized. Accordingly, readers of this document should not interpret the forward-looking statements included herein as predictions or representations of future events or circumstances.

Potential risks and uncertainties also include those identified and discussed in this document. Given these risks and uncertainties, readers of this document are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of information produced herein. We disclaim any obligation to update or, except in the limited circumstances required by the Tokyo Stock Exchange, announce publicly any revisions to any of the forward-looking statements contained in this document.



United Urban Investment Corporation

4-3-1 Toranomom, Minato-ku, Tokyo
<http://www.united-reit.co.jp/en/>